Transnational Company Agreements
from the viewpoint of the
Ford European Works Council

First Meeting of the Expert Group on TCAs
Organised by the European Commission,
Employment, Social Affairs and Equal Opportunities DG
May 14th, 2009 in Brussels
Contents

1) Goals
2) Requirements
3) Examples, experiences, lessons learned
4) The current crisis
5) Conclusions
1) Goals

What we want and fight for:

- **Dignity and respect**
  - fair and meaningful information and consultation processes + concrete negotiation on transnational matters if necessary

- **Voice in decisions that affect us**
  - workers/unions are experts too and – to a certain extent – it is necessary for them to act as “co-managers”

- **Social and economic justice**
  - allow for a maximum of European solidarity among Ford workers and respective unions in order to protect and enhance high social standards and rights
  - globalisation is more than just cheap labour; workers/unions and companies have to work together to come to socially acceptable and sustainable solutions

- **Best standard of living possible**
  - protect jobs and plants by anticipating change and reacting early
2) Requirements

To achieve these goals employee reps/unions need to …

- overcome national egoism and transform as much as possible national practices and traditions into a pan-European approach.
  - On-going exchange of information
  - Close collaboration in order to prevent the company from playing-off one country/plant against another
  - Develop the common understanding that no plant/country should try to take away production from somebody else
  - Develop a genuine European strategic approach
  - Clearly separate between national and European topics
  - Strengthen union networks with help of European Union Federations
2) Requirements

To achieve these goals employee reps/unions need to …

- be strategic, innovative and creative.
  - Strategy development based on a maximum of external expertise
  - Network building (in line with company structures)
  - Gather as much information as possible on business strategy of the company
  - Anticipate and understand future development of the industry by on-going training and education measures
  - Act early and not against major economic principals as otherwise there is a high risk to end up with a pyrrhic victory
2) Requirements

To achieve these goals companies need to …

- be cooperative.
  - See the benefits of a close collaboration (vs. using lots of energy to fight workers/unions)
  - Share a maximum of information
  - Allow for meaningful and early consultation
  - Allow for negotiation of pan-European issues
3) Examples, experiences, lessons learned

- **Major FEWC agreements:**
  - IOS (2004)
  - PD-Realignment (2005)
  - GCE (2008)

- **Experiences**
  - Generally positive; atmosphere of mutual trust and cooperation
  - Overall result certainly better than in individual negotiations at plant/national level
  - Access to senior management through FEWC is very important (in particular for colleagues from those plants that are located in “periphery”)
3) Examples, experiences, lessons learned

- **Experiences**
  - Clause for re-negotiation/amendments crucial => space for adaptations and guarantees. Ongoing monitoring and involvement of employee reps/union.
  - Agreements on re-organisation in PD are certainly reaction to the Company’s restructuring efforts but also contain strong anticipatory elements.

- **Lessons learned**
  - Agreements involve FEWC in strategic projects and decision-making processes of the company.
  - Monitoring can become a very complex exercise.
  - Distinction between national and pan-European issues is not always easy and will become more difficult in the future.
3) Examples, experiences, lessons learned

- **Issue that has significant implications on a considerable portion of the workforce in more than one EU member state**

- **Management and the FEWC agree to enter into negotiations on the pan-European issue at hand**

- **Approval of pan-European negotiations required by national/local bodies of employee representation**

- **In case of approval by FEWC, national/local bodies of employee representation need to adopt the decision taken by the FEWC**

- **Signing of pan-European Agreement by management and FEWC**

- **Select Committee continuously informs the full FEWC on the process of negotiations and seeks vote on final result**

- **Management and FEWC enter into negotiations; Select Committee leads the discussions on behalf of the FEWC**

- **National/local management and bodies of employee representation ensure the application of the pan-European agreement at national/local level. This might require the signing of national/local agreements based on the pan-European agreement in order to deal with specific legal and/or national/local requirements**
4) The current crisis

- Keeping up solidarity is not always easy in these times as everybody tends too concentrate on protecting his own plant.
- So far the basis for cooperation between workers/unions and the company remains intact at FoE.
- Existing agreements remain valid (crisis has not been used for unilateral cancellation of agreements) and serve as an important foundation => security.
- Crisis leads to discovery of common interests, e.g. policies to protect the industry and to stimulate demand.
- Different policies to deal with crisis in the EU member states increases competition between sites and countries.
5) Conclusions

- Soft factors play a crucial role
- Application procedure for budget line 04.03.03.03. should be simplified in order to help EWCs develop the skills necessary for transnational negotiations and agreements
- Mutual trust between workers/unions and the company is indispensable; should be a core element of the company’s business culture
- Future development not only depends on legal basis but on enhancement of social dialogue at European level