

In this week's issue:

- **EU:** No “far-right” surge
- **EWCS:** Will the EP elections change things?
- **Due Diligence:** Germany asked to rule on US labour law
- **UK:** Investors to sue Boohoo over worker violations
- **UK:** How quickly will a Labour government move on employment law?

EU: No “far-right” surge

Summary: *The European Parliament elections did not result in a shift to the “hard right,” but rather a marginal seat gain for the competing hard/far-right groupings*



Despite many media “hot takes”, the European Parliament election results do not mark a shift to the “hard right.” No matter how you chose to define *hard or far right*, it still only gained a handful of extra seats. Not enough to break the centre-right/centre-left control of the Parliament. It looks like “business as usual” in Brussels and Strasbourg for the next five years.

It must also be remembered that there is no one cohesive “hard/far right” group in the European Parliament. The “hard right” is a collection of groupuscules, many of whom hate each other more than they hate the left and centre. In the more binary UK and US electoral systems, there are usually clear winners and losers.

In Europe, where most countries use proportional voting, it is rare for one party to “win.” European is a continent of coalitions, and the European Parliament is no exception to this. No one political group has a majority in the Parliament. Over the coming weeks deals will be done, blocs put together, jobs allocated. But the future is unlikely to be radically different from the past.

One of the dominating themes in the Parliament elections, and in much of the political discourse at national level, is immigration. But, in truth, debate about immigration in Europe needs to be part of a much wider debate about demographics and the profound impact current demographic trends will have on European societies and economies.

European citizens are living longer, due to advances in social wellbeing and medical science. The older people get, the more care they may need. At the same time, the birthrate is falling, dramatically in some countries. A shrinking working population means a shrinking tax base. As health and social care costs continue to grow, the money to fund these services continues to diminish.

Already, there are multiple examples of employers across Europe unable to fill jobs because the workers are just not there. Expect discussions on this to move centre stage in the next few years.

Of course, the most dramatic outcome of the European Parliamentary elections was the decision by French President, Emmanuel Macron, to dissolve the National Assembly and call for a new round of national legislative elections. As we write, all the key French political actors are deciding how best to position themselves for maximum electoral advantage. Macron was reacting to the 30% of the vote received by the far-right RN of Marine Le Pen.



The French legislative elections are conducted over two rounds. After the first round, all candidates other than the top three are eliminated. But it is highly unusual for the candidate in third place to go into the second round. They often drop out, leaving a straight fight between the top two. Between the two rounds, deals are done between parties on either side of the political spectrum to deliver the maximum number of seats.

EWCs: Will EP election results change things?

Summary: Expect a deal on the EWC Directive revision by early 2025. The incoming Parliament will probably re-state its past support for Denis Radtke's report and trilogue negotiations between Commission, Council, and Parliament should get under way later this year



As we report above, it is "as you were" with the European Parliament, so it is likely that the full Parliament when it resumes working sessions later this year will endorse the report for the Employment and Social Affairs Committee, prepared by the German MEP, Denis Radtke on the Commission's proposals for a revision of the EWC Directive.

With the Council of Ministers set to endorse the Belgian text on the proposed revision as a negotiating mandate for the Council, talks between the three institutions, the Commission, Council, and Parliament should get under way later this year.

Expect a deal by early 2025.

A 2025 deal would mean the revised Directive being transposed into national law by early 2027. While there would be a further two-year period for Article 6 agreements to be brought into line with any new provisions in a revised Directive, EWCs operating under the Subsidiary Requirement's would be immediately impacted.

Undertakings with Article 13 agreements would also be open to requests to set up a Special Negotiating Body to begin discussions on a negotiated EWC agreement within the framework of the law.

There is no newsletter next week due to Summer Networking Summit in Sitges, Barcelona...
...however, on Tuesday June 18th we will publish a paper on the Directive revision that compares and contrasts the positions of the three EU institutions, (Commission, Council, and Parliament). The paper will also offer our commentary and analysis. The [Sitges summit](#) opens with a discussion on what the revision of the Directive will mean in practical terms and what companies should consider doing now.

Due Diligence: Germany asked to rule on US labour law

Summary: US National Security Adviser Jake Sullivan asked the German government to investigate allegations of anti-union behaviour at the Mercedes plant in Alabama following the recent vote.



According to [newspaper reports](#), US National Security Adviser Jake Sullivan (photo) asked the German government to investigate allegations of anti-union behaviour at the Mercedes plant in Alabama in the run-up to the recent vote at the plant, when workers decided not to go with United Auto Workers (UAW) representation. The UAW had filed a complaint with the German authorities last April, [here](#), under Germany's Supply Chain Act.

Sullivan, according to the press reports, was acting at the behest of UAW President, Shawn Fain. The response of the German government to Sullivan's request is not known, though the German authorities are obliged to investigate any complaints about alleged breaches of the Supply Chain Act.

It should not come as any particular surprise that a senior official from the union-friendly Democratic administration should seek to assist the UAW in its push to unionize the Mercedes Alabama plant, even if that meant asking for help from a foreign government. It is called politics, especially in a US election year. The German Supply Chain Act applies not just to contractors in the company's supply chain, but to the company's own operations both in Germany and overseas.

The question that many readers of this newsletter will be asking is what business is it of the German government to judge whether or not Mercedes in Alabama has behaved correctly in accordance with US law?

Or, is the UAW Mercedes complaint really asking the German government to rule on whether US labour law is compliant with international standards? Does Mercedes in the US need to act in accordance with US law or should it be importing German standards?

These are not academic questions. With the coming into force of the EU's *CSRD law*, soon to be followed by the newly enacted *CSDDD*, many thousands of companies will soon be subject to challenges over labour relations policies and practices in countries outside the European Union. We think significant pushback from non-EU countries over what many see as EU legislative overreach can be expected. "Labour law colonialism" – we know better than you what is in the interests of the workers in your country – is bound to end in tears.

UK: Investors to sue Boohoo over worker violations

Summary: In addition to seeing its share value plummet over supply chain scandal, Boohoo is now facing a lawsuit on behalf of a group of 49 institutional investors



Investors are suing the UK fast fashion company, Boohoo, over a 2020 report alleging its suppliers were mistreating workers. Boohoo's shares plummeted, wiping more than £1.5bn off the online retailer's market value. It has now emerged that law firm Fox Williams filed a lawsuit against Boohoo Group on behalf of a group of 49 institutional investors last month. Andrew Hill, a partner at Fox Williams, said,

“Boohoo is a prominent example of a company that failed to live up to its environmental, social and governance (ESG) responsibilities and caused significant harm to investors. We believe that our clients have a strong case for compensation...”

“...This is a landmark case that will test the legal framework for securities litigation in the UK and the role of ESG factors in corporate governance and disclosure...”

For more detail, see [here](#).

UK: How quickly will a Labour government move on employment law?

Summary: Lewis Silkin LLP considers how quickly a Labour government can commence implementation of its employment law program. 12 October 2024 seems the key date to commence that process (100 days from election day)

With all the opinion polls continuing to show the UK Labour Party on course for a comfortable win in the general election on July 4, [Colin Leckey](#) and [Gemma Taylor](#) of Lewis Silkin LLP ask how quickly can we expect to see a Labour government implement its employment law program. As Colin and Gemma say, the party:

“...has ambitious plans for [reforming employment law](#). It has promised to introduce legislation on its New Deal for Working People within the first 100 days of a new Labour government. This means by 12 October 2024, assuming Labour wins the general election on 4 July 2024. This doesn't mean that new laws will be in place by 12 October 2024. It just means that Labour is committing to start the process as quickly as it can.”



Read the full article [here](#).

There will be no newsletter next week, due to Summer Networking Summit in Sitges, Barcelona.
Issue #23 will be distributed on Thursday June 27th



A Walk On The Wild Side

10-minute podcasts by Alan Wild...
...for HR professionals managing employee relations in global and millennial times



New Episodes

NEXT WEEK:

HR Policy Global European Summer Summit *June 19 - 21, Hotel Estela, Sitges, Barcelona*

Supported by Ius Laboris: The 2024 Summer Network Summit is at the Hotel Estela, Sitges, Barcelona, from Wed evening, June 19 to Fri lunchtime, June 21. The meeting opens with a networking welcome reception on the evening of June 19. This event is now almost fully booked – contact Tom or Derek if you require a last-minute booking

[Book Summer 2024 Summit](#)

Download the meeting programme [HERE](#)

(The Estela Hotel is now fully booked – contact us for other accommodation options)

In September:

Europe Members' Network Meeting *Pullman Hotel, Gare du Midi Brussels Sept 18/19*

Attendance at our September networking meeting in Brussels is open to all members. Click link on right to book your place at the meeting. Guest speakers will be announced soon. Draft meeting agenda and hotel accommodation booking form will be available before the summer break.

[Book Brussels meeting](#)

**HR Policy Global Members can self-register for events via the links above. If you get a "No Tickets Available for Purchase" message, make sure you are logged in. Non-members should contact [Derek](#).*

Upcoming Events Across Europe: See also: [Online list](#) of all upcoming HR Policy Global events

Date	Event	Booking Links	Venue
June 19 - 21	<i>Europe Members Annual Summit</i>	<u>Book Barcelona 2024 Summit</u>	<i>Hotel Estela, Sitges, Barcelona, Spain</i>
TBC (after UK election)	<i>Webinar on UK HR Issues: Non-Competes, Fire & Rehire</i>	<u>Book UK HR issues Webinar</u>	Webinar
Sept 18 & 19	<i>Europe Members Meeting</i>	<u>Book Brussels meeting</u>	<i>Pullman Midi Hotel Brussels, Belgium</i>
Oct 10 - 13	<i>European Training Academy in Sitges/Barcelona</i>		<i>Hotel Estela, Sitges, Barcelona, Spain</i>
Oct 17	<i>London Networking Luncheon and Meeting (at Noon – finishes by 3pm)</i>		TBC