

# Newsletter

Issue #19 - June 12, 2025

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There will be no newsletter for next 2 weeks: due to Summer Summit in Sitges

Issue #20 will reach your inbox on July 3<sup>rd</sup>

EWCs: 2025 Directive update

**Summary:** EU finalises EWC Directive revision text and this confirms no blocking powers for EWCs, only consultation. We will shortly produce a guide and have a workshop planned for Sitges in October



The agreement on the rewrite of the EWC Directive hammered out between the EU legislators during trilogue negotiations on May 20/21 (which finished early in the morning of the 21st) has now been approved by the Employment Committee of the European Parliament. The Parliament will vote on it in plenary in early September. It will certainly endorse the measure.

The "PermReps", the Permanent Representatives (Ambassadors) of the Member States to the EU, have already agreed to the measure. The Council of Ministers will formally vote it through on June 19. The final text will be published in the Official Journal in October, maybe November. This means it will become national law and come into force in October or November 2027.

The <u>unions welcomed</u> the endorsement of the revised Directive by the Parliament's Employment Committee, but their endorsement was less than fulsome because they know that they failed to get what they most wanted: the right for EWCs to look for injunctions to block management decisions when they believed they had not been ""properly" informed and consulted.

As we have written previously, unless management revokes or changes a proposed decision radically, the EWC will always believe they have not been "properly" informed and consulted. Otherwise, management would have changed their proposed decision.

While there will be some procedural changes because of the revised Directive, EWCs in the future, as is now the case, will still only be able to offer an opinion on proposed management decisions. They will have neither delaying, nor blocking powers. They will remain information and consultation bodies. Demands for de facto co-decision through the leverage of injunctions did not make it into the text.

The EWC Directive was first adopted in 1994. It was revised in 2009, fifteen years later. It has taken another sixteen years for it to be revised a second time in 2025. It will be at least another fifteen years before anyone looks at it again, if ever. EWCs are what they now are and will never be more than they are now. Bodies for discussion and not decisions. But for all that they are part of the EU's labour relations architecture and need to be managed with respect.

- We are currently working on a Guide to the 2025 EWC Directive. We plan to have a "beta" version ready for our Sitges meeting on June 18/19/20 and then, including feedback from our Sitges June meeting, have a final version by the end of this month.
- We are also scheduling **a workshop in Sitges in October, Tuesday to Thursday, October 14/16** for those who want to deep-dive into what the 2025 Directive will mean for their EWC and to plan ahead. We will have full details of the workshop available at the upcoming Sitges meeting.

In the meantime, if you have any questions about the 2025 Directive, email tom.hayes@beerg.com.

Due Diligence: Unions see role for EWCs

**Summary:** Unions criticize EU's Omnibus proposal. Unions advising EWC member on how to involve themselves in the due diligence process. Still no official clarity on if there will be a role for EWCs in sustainability reporting



We have written at length, over the past years, about the *Corporate Sustainability Reporting Directive (CSRD)* and the *Corporate Sustainability Due Diligence Directive. (CSDDD)*. We have also reported more recently about the European Commission's "Omnibus" proposals which would roll-up both these pieces of legislation together and cut back their scope and reach significantly.

European trade unions are not best pleased with the Commission's Omnibus proposals. In a post on its website, the European Federation of Builders and Woodworkers (EFBWW) says:

On 26 February, the European Commission launched its first omnibus package aimed at simplifying the rules regarding sustainability reporting and due diligence. This has provoked significant outrage amongst European trade unions, resulting in strong condemnation of both the content and the opaque and undemocratic process which led to this package. It represents a direct assault on corporate accountability, workers' and trade union rights, as well as environmental protections.

Whatever its reservations about the Omnibus package, the EFBWW posts links to a document jointly produced by a number of European Trade Union Federations (ETUFS) which advises EWC member on how to involve themselves in the due diligence process. It sets out a number of questions that EWCs should consider raising with management about how the due diligence process was conducted, the outcomes of the process, and what actions, if any, management intends to take to follow through. Read the <a href="EFBWW">EFBWW</a> document online.

Both the CSRD and the CSDDD require the involvement of employee representatives during the due diligence process. It could make sense to do this through the EWC, rather than having to deal with multiple

national employee representative bodies. However, until a decision on the Omnibus proposals from the Commission is known, which could take multiple undertakings out of the scope of both laws, it is probably best to wait before deciding how to approach this matter.

Italy: Union backed labour law referendums fail... badly

**Summary:** Italy's trade union backed referendums to restore worker protections failed due to very low voter turnout, strengthening Meloni's government and leaving the 2016 Jobs Act unchanged



<u>Derek Mooney</u> writes: On June 8 and 9<sup>th</sup> Italy held five referendums initiated by trade unions and civic organizations. Four of these votes were intended to roll back parts of the 2016 Jobs Act. Though the labour law changes did win the support of the majority of those who voted, the Italian constitution requires a voter turnout of at least 50% plus one for a referendum to succeed. Actual voter turnout about 30%.

The five votes were deemed to have failed.

Prime Minister Giorgia Meloni's ruling coalition opposed the referendums, urging citizens not to vote. The strategy worked. Meloni's government hailed the result as a win for the status quo. Minister Giovanbattista Fazzolari declared: "The opposition tried to turn the five referendums into a vote against the Meloni government... The result is clear: the government emerges stronger, and the left weaker."

The referendum defeat is a significant setback for unions and civic groups who to restore worker protections which they claim were dismantled over the past decade. Italy's 2016 Jobs Act remains in place. The four areas that the referendum had hoped to reverse were:

- Restoring Protections Against Unlawful Dismissals: Aimed to abolish the current system which
  replaced reinstatement with economic compensation for unfair dismissals, especially in small
  businesses
- Small Business Dismissals and Compensation: Sought to partially abolish rules that made it easier for small businesses to dismiss employees with limited compensation
- **Fixed-Term Contracts:** Proposed to partially abolish restrictions on the use of fixed-term contracts, including their maximum duration and the conditions for renewals and extensions.
- **Liability in Subcontracting:** Sought to abolish the exclusion of joint liability for workplace accidents among clients, contractors, and subcontractors, aiming to strengthen worker protections in subcontracting chains.

**Euronews story** 

Unions: Annual rights violations survey published

**Summary:** ITUC survey claims that workers' rights in Europe are at their "worst level' in at least a decade. ETUC wants new EU legislation to protect unions and strengthen collective agreements



Every year the International Trade Union Confederation (ITUC) publishes a survey of alleged violations of trade union rights globally. Of course, this is a survey of the unions deciding what their rights are and judging where they have been violated. The unions are both judge and jury in the matter, not to mention that they are also the prosecuting counsel.

This year's survey has recently been published. According to the European Trade Union Confederation (ETUC) Workers' rights in Europe are at their "'worst level' in at least a decade as a result of government crackdowns on the right to strike and union busting by employers". According to the survey:

- 41% of countries in Europe violated the right to establish and join a trade union
- 37% of countries in Europe impeded the registration of unions.
- 54% of countries in Europe denied workers access to justice.
- 17% of countries in Europe restricted free speech and assembly.
- 32% of countries in Europe arrested and detained workers
- Workers experienced violent attacks in 17% of countries in Europe

The ETUC says it is calling for the European Commission to "urgently bring forward a Quality Jobs Package" including legislation that will reinforce rights in Europe, "including new rules on public procurement that ensure that public money goes to companies which respect collective agreements."

Global: ILO to cut jobs

**Summary:** ILO to cut 225 jobs after US administration cuts its funding. Geneva operations may relocate; recruitment freeze and redundancy programme underway

The International Labour Organization (ILO) has announced the loss of approximately 225 jobs due to reduced funding from the US government. ILO Director-General Gilbert F. Houngbo said: "One job loss is too many," as he reflected on the impact on staff morale.

The ILO is considering relocating some operations from Geneva to alleviate financial pressures, with potential new locations including Turin, Budapest, and Doha. The US contributes 22% of the ILO's \$880m budget for 2026-2027, and Houngbo indicated that further cuts could necessitate a revised budget, a rare occurrence for the organisation. A business continuity plan is being developed, alongside a freeze on external recruitment and a voluntary redundancy programme.

Ireland: Unions want radical changes

**Summary:** Irish unions are calling for dues/payments from all benefiting employees, union access, and Ghent system to boost collective bargaining and membership



Many of our member companies have a sizable employee presence in Ireland. It is also the country where many have their European headquarters. So, debate around the future of industrial relations laws and practices in the country will always be of concern. For example, how Ireland transposes the 2025 EWC Directive into Irish law (see earlier story on the Directive) will be of some importance.

For now, a lot of attention in labour relations circles in Ireland is focused on the action plan that the government is obliged to produce before the end of the year to meet its obligations under the EU's *Adequate Minimum Wage Directive* to promote collective bargaining because collective bargaining coverage in Ireland, at around 35%, falls below the EU's aspirational level of 80%.

Collective bargaining coverage should not be confused with union membership. Other than in the Scandinavian countries there is an enormous disconnect between bargaining coverage and union membership. For example, look at the gap between bargaining coverage and union membership in France, Spain, Italy, and Germany.

Which perhaps is why Ireland's biggest public sector union, Forsa, is calling on the government to consider a system, like the one in Canada, which would require workers who benefit from pay deals or other collective agreements to pay dues or subscriptions even if they are not members. Forsa wants to put an end to what it calls "free-riding". About 25% of all workers in Ireland are union members. Maybe somewhere between 50% and 60% of workers in the public sector are union members. Which puts union membership in the private sector at around 15%, if not even lower.

In a submission to the government's consultation process on the action plan, Fórsa said there was a strong relationship between trade union membership and union-negotiated collective agreements. It argued "free-riding" was a growing problem for trade unions. This, it said, was primarily because of the associated costs of union organising and the financial loss incurred from non-members benefiting from improved pay and conditions without contributing to the collective effort through membership subscription fees or participating in collective industrial action.

"To help address the issue of 'free-riders' and declining density, and to build and strengthen the capacity of trade unions through incentivising membership, Fórsa recommends the Government consider proposals to allow unions to collect subscription fees or union dues from all employees, including members and non-members, similar to the Rand Formula which exists in Canada."

The Irish Congress of Trade Unions (ICTU) wants to go further. It wants union access to workplaces, and it wants the government to make public funding for companies conditional on them having collective bargaining arrangements in place. The ICTU also proposes that the Government should consider allowing a State-subsidised but voluntary unemployment insurance scheme which the unions would administer, the so-called Ghent system, which is found in some European countries, such as Belgium, Denmark, Sweden, and Norway, countries with the highest union density in Europe.

Under the system, the schemes provide for additional payments which complement existing social protection measures for union members who lose their jobs. To access the benefits, you need to be a union member.

Russia: To Russia with no love whatsoever

**Summary:** Russian lawmakers introduce biometric tracking for migrants in Moscow. Critics warn of privacy risks and increased vulnerability for Central Asian workers



<u>Derek Mooney</u> writes: Russia has enacted a new law mandating geolocation tracking for all migrants residing in Moscow and the greater Moscow region. From September 1, 2025, non-Russians (or Belarusians) must register on a government-run mobile application. The App requires biometric registration (fingerprinting and photographs) alongside real-time location tracking. All migrants must consent to the processing of their personal data (including

device geolocation) that regularly reports their location to the Ministry of Internal Affairs.

The program does not apply to minors, diplomats and their families. Citizens of Belarus are excluded from the measures, and there are also exemptions for those in hotels, hospitals, prisons, or similar institutions. If the four-year Moscow pilot programme is deemed successful, the system could be expanded nationwide.

The move is the latest in a series of restrictive new Russian laws aimed at cracking down on migration since the March 2024 Crocus City concert hall terrorist attack. Any change of residence must be notified to the authorities within three business days. Failure to comply with the tracking requirements results in removal from the migration registry and inclusion in a registry of "controlled persons". This would severely restrict migrants' rights and may trigger deportation proceedings.

In addition to criticisms that the law violates both international law and the Russian Constitution, particularly regarding privacy rights, critics argue there is a very great risk of personal data leaks from the mobile app, including potential exploitation by corrupt officials and criminals.

The policy is seen as targeting migrant labour, particularly from Central Asia. These workers make up a significant portion of Russia's migrant workforce. The new measures will make a group already vulnerable to abuse and coercion even more exposed to wage theft, and discrimination.

See story on RFERLI.org

### **PODCASTS:**

# **BEERG Bytes**

Two new episodes due out this week:



- **Dr Kara McGann,** IBEC's Head of Skills and Social Policy on the Pay Transperancy Directive and the real barriers to workplace equality.... and the society wide issue of elderly care.
- <u>Dr Guy Burton</u> on China's Economy. Are we seeing Slowing Growth or Rising Power. Guy is host of his own Podcast series: <u>10 Minutes On</u>

### **Alan Wild podcast**

Ep. 25 <u>Will Tik Tok And Slack Replace</u> <u>Trade Unions?</u>



# For your diary...

Note that events are 'in person' unless listed as a webinar

European Network Summer Summit

Hotel Estela Sitges, June 18 - 20

#### **NEXT WEEK**

THREE SEATS AVAILABLE... 2025's Summer Summit will be our biggest European event. We have expert panel discussions on: Revised EWC Directive, Due Diligence (CSRD/CSDDD) After The Omnibus, Platform Workers, Is DEI Still Relevant... plus, US + EU Law Updates. See draft meeting agenda online. Welcome reception on Wed June 18th and a Gala Dinner on Thursday. Meeting sessions open at 9am CET on Thursday and close at noon on Friday.

Book Europe
Summer Summit

#### Tokyo Networking Afternoon

2 – 6pm Thursday, Sept 11 at Jones Day office, Tokyo

Join Michelle Swinden and the HR Policy Global team for an afternoon of networking and structured discussions featuring insights from industry leaders and HR Policy Global member representatives. Conversations in both English and Japanese will facilitate broader engagement.

<u>BOOK TOKYO</u> <u>Network meeting</u>

London Member Networking Luncheon

12 – 3pm (UK time) Tues, Sept 23, at Helicon Building

Join HRPG Europe for our local member networking luncheon in London. This in-person event will take place on **September 23**, from 12 PM to 3 PM (local time), at the Oracle **Corporation offices**, bringing together senior HR leaders to exchange insights on UK issues.

London Booking Link

Dublin Member Networking Luncheon

12 – 3pm (Irish time) Thurs, Sept 25, at Matheson LLP

Join HRPG Europe for our Dublin local member networking luncheon. This in-person event will take place on Sept 25, from 12 PM to 3 PM (local time), at the Matheson's Dublin 2 offices where senior HR leaders can exchange insights on key issues in Ireland and EU.

**Dublin Booking Link** 

\*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 <u>Derek</u>.

### Upcoming Events Across Europe:

See also: Online list of all upcoming HR Policy Global events

Date	Event	Booking Links	Venue
June 18 - 20	European Network's Summer Summit	Book Europe Summer Summit	Hotel Estela, Sitges, Barcelona, Spain
Sept 23	Members Meeting – London, U.K.	London Booking Link	London – hosted by Oracle at Helicon office
Sept 25	Members meeting – Dublin, Ireland	<u>Dublin Booking Link</u>	Dublin with Mathesons LLP
Oct 23	Members Meeting — Milan, Italy	Milan Booking Link	Milan with Toffoletto De Luca
Dec 11	Members Meeting — Paris, France	Paris Booking Link	Paris with Flichy Grangé



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