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EWCs: Emerging union agenda

Summary: Unions shift strategy on new EWC Directive but fail to win bargaining powers. EWCs remain advisory only, with challenges ahead over interpretation of transnational issues



While the final text of the rewritten EWC Directive has yet to be published, we expect to see it appear in the Official Journal before the end of this year, we are beginning to get reports as to how the unions and union-side experts will seek to interpret it.

However, it must be remembered, that at the end of an information and consultation process all an EWC can still do is to offer a non-binding opinion to which management must respond. This response then closes the process. The unions failed to get their big demands, that EWCs be given the right to seek injunctions to block management decisions, and that courts be given the power to impose GDPR-size fines of €20m or 4% of global turnover, included in the text. Their main objective was to turn EWCs into bargaining bodies with legal leverage. That is all this was ever really about. It didn't happen.

The consolation prize? The ending of the "Article 13" derogation. EWCs remain what they always have been. A non-binding information and consultation procedure. What we are hearing about the emerging union agenda is that:

- *Given the new wording in the Directive, everything is now to be considered transnational and therefore subject to EWC information and consultation.*
- *Further, the EWC should be able to decide when a proposed decision is "exceptional" and needs the holding of an exceptional circumstances meeting.*
- *Funding for experts, lawyers, and training to be unlimited with the EWC deciding on spending.*
- *Experts to be in attendance at all meeting.*

No doubt, other demands will surface but this is where we are for the moment. It goes without saying, we do not share these interpretations of the articles in the Directive.

See the [draft programme](#) for our "deep dive" into the new Directive at our EWC 3.0 training program on October 14 - 16.

EU: Parliament calls for law to limit subcontracting

Summary: EU Parliament urges tough subcontracting laws, while employers warn against complexity and overregulation. Legal study recommends enforcing existing labour protections, not blanket restrictions



With the European Parliament's Employment Committee beginning to push for legislation to regulate what it claims are abusive subcontracting chains, and calling for "an EU general legal framework limiting subcontracting and ensuring joint and several liability through the subcontracting chain", a new independent legal study, commissioned by the recently established European Employers' Institute (EEI) and written by an Associate Professor at Stockholm University, Erik Sinander, looks at the legal implications of attempting to restrict subcontracting.

The study warns of the legal complexity and EU fragmentation that could result from introducing restrictions on subcontracting and potentially destabilising a wide array of industries from construction and manufacturing to logistics and services. Delphine Rudelli, Chair of the EEI Board, commented

"This legal analysis provides a crucial perspective on the challenges of further regulating subcontracting. The risks to the well-being of workers where these exist are a critical issue that must be addressed, but the solution lies not in blanket restrictions on subcontracting. Such measures could have serious consequences for businesses, especially small ones, and therefore for the jobs that their economic growth helps to create. Existing labour protections should be enforced more effectively, and where necessary, the role of labour authorities must be strengthened to ensure compliance. We must focus on a balanced approach that protects workers' rights while maintaining the competitiveness of the EU's internal market",

You can find the report [here](#).

Europe Comment

You can write all the legal analysis you like, but, in reality, this is a political decision. Should it be the job of legislators to tell the European private sector how it should organise the way it does business? In our view, the answer is, no, it should not. If the concern is to protect workers' rights, then take steps to protect those rights as defined within the law as it stands, and collective agreements where they exist. Workers' rights are workers' rights, not matter who they are employed by. Strengthen labour inspectorates. Robustly enforce existing laws. But leave business to organise how best to do business.

Within recent months, we have seen various laws, such as CSRD and CSDDD, being recalibrated through "Omnibus" initiatives, a tacit acceptance of legislative overreach. Best not to repeat the legislative overreach mistake with an ill-judged attempt at telling business how to organise itself.

Germany: Government rolls back due diligence law

Summary: Germany softens its supply chain law amid business pressure, while Volkswagen Brazil faces historic fine for forced labour abuses at its farm in the 1970s–80s



Earlier this month, the German government endorsed proposed legislation which would make significant changes to the German Supply Chain Act, *LkSG*, which came into effect in January 1, 2023. Since the Act came into force, German businesses have pushed strongly against it, claiming it imposes unacceptable bureaucratic burdens.

The proposed revisions to the *LkSG* will bring it into line with the EU's *CSDDD*, which itself is being significantly revised. It would seem that the tide is going out and the wave of due diligence laws that hit

European businesses over recent years is receding. You can read more about the proposed changes to the German law in this post from Freshfields [here](#).

MEANWHILE, [press reports](#) say that Volkswagen Brazil has been found guilty of subjecting workers to conditions akin to slavery from 1974 to 1986 at its Santana do Araguaia ranch. The ruling mandates the company to publicly acknowledge the abuses and pay over \$30m in damages. Judge Otávio Bruno da Silva Ferreira described the conditions as meeting the definition of contemporary slave labour. Volkswagen plans to appeal, asserting compliance with labour laws in force at the time. Federal prosecutor Rafael Garcia called the decision "historic," pointing to the need for accountability in Brazil's dark history of forced labour.

According to the allegations, hundreds of temporary workers at the farm, also known as Fazenda Volkswagen, were subjected to long working days and degrading working conditions. The takeaway from this is know what is going on in your supply chains, even if not required to do so by the law. If there are labour abuses in the chain, they will come to light at some point, even if years after the event.

Ireland: Union take on why unions fail to organise

Summary: Irish polls show strong theoretical support for unions, but actual membership lags. Upcoming laws aim to boost collective bargaining, but "say/do gap" persists



Those of you with employees in Ireland will be interested in this [article](#) from Dr. Gareth Murphy, who works with the Financial Services Union, on the need for a new law to promote collective bargaining. His argument is that opinion polls and academic research point to a wish on the part of employees to have a union in their workplace. He writes:

In Ireland, specifically, we now have compelling evidence of the desire for trade unions amongst the workforce, especially amongst young workers. UCD research from 2023 told us that nearly half of all workers want a union in their workplace and this rises to 67% for workers under 25. Young workers especially want trade unions. We also know from Ireland Thinks polling data from 2021 and 2024, respectively, that 74% of workers want the legal right to collectively bargain with their employer and 75% of workers want greater protections for those organising a union at work. Yet, collective bargaining coverage is around 34% and trade union density around 25%. Why is this?

His answer to his own question is that there is "union busting" on the part of employers. Dr. Murphy seems to think that unions should have a right, a divine right if you will, to organise and represent employees and employers should have no say in the matter. If you are running a business and an organisation comes along which says we want to increase your costs and limit your ability to manage, rather than standing idly by is not the rational course of action to push back and say: *thanks, but no thanks* and make your views known to your employees?

Secondly, it is all very well to quote surveys and academic research but there is a well-known phenomenon called the "say/do gap". What people say they will do, or would like to do, is very different from what they actually do. When employees say they would like to see a union in their workplace, it does not mean they would take any steps to organise one or even join the union if one emerged. It is one thing to say "yes, we would like a union" in answer to academic research or an opinion poll question, another thing to sign up when push comes to shove.

The issue of the law around union organising and collective bargaining will be very much on the agenda in Ireland over the coming months as the government prepares the action plan required by the *Adequate Minimum Wage Directive* setting out steps to bring collective bargaining coverage for the current 35% to 80% of the workforce.

Rather than blame “union busting” for the low level of union density in Ireland, around 25% but higher than France at 8% and Germany at 16%, maybe the unions should be asking themselves if they actually have an offer than appeals to today’s workforce. And that can also convince employers that they can be a force for good in the workplace.

Spain: Working time reduction measure defeated

Summary: *Spanish Labour minister’s plan to cut working hours faces defeat as political opposition echoing the concerns of small businesses derail legislation aimed at reducing the standard work week*



Opposition lawmakers in Spain's lower house have united with business-friendly Catalan region party Junts in voting against a bill that would have shortened the work week by 2-1/2 hours, preventing it from reaching the floor for debate. The legislation had been championed by Labour Minister Yolanda Diaz and the country's main trade unions.

Diaz nevertheless said she would reintroduce the measure lowering the cap on weekly work hours to 37-1/2 from the current 40. She described Junts' veto as "incomprehensible." The bill's opponents had argued that smaller employers would be unable to shoulder the higher cost burden deriving from the policy, leading to job losses.

EU AI Act: EU's top competitiveness adviser urges a pause



[Derek Mooney](#) writes: Mario Draghi has [publicly called](#) for a pause in the full implementation of the EU's AI Act, urging policymakers to assess potential drawbacks and ensure upcoming rules are proportionate and support innovation. Speaking on Tuesday last (Sept 16) Draghi highlighted uncertainty around the AI Act, noting that while initial “unacceptable risk” bans and voluntary codes have worked smoothly, the next stage risks stifling innovation unless more understanding of impacts is gained.

Draghi's remarks are significant given his role as a special adviser to the European Commission and his work on EU competitiveness. A former Italian prime minister and EU Central Bank President, Draghi was the author of the 2024 landmark “Draghi Report” on European competitiveness and continues to help shape EU policy discussions.

His intervention this week reflects industry wide concerns and echo calls for a delay to allow for practical implementation and simplification of the rules. In his remarks, Draghi noted that there is still confusion in member states about enforcement authorities and guidance for general purpose AI, such as ChatGPT. He has urged the EU to act more like a federation, concentrate resources, and consider joint debt issuance for common projects in areas like technology and defence.

There is no Europe newsletter next week, due to member luncheon meetings in [London](#) and [Dublin](#) (you can still book for both)

Issue #27 will reach your inbox on Oct 2nd



PODCASTS

[BEERG Bytes](#)

[Latest episode:](#)



[Alan Wild podcast](#)

LATEST EPISODE: Ep. 28:
[Optimizing employee relations performance by managing risk](#)



Four Autumn 2025 Member European Networking Events:

Join HRPG Europe at our local member networking luncheons (and one evening event) in:

Next week: London - *Tues, Sept 23, 12 - 3pm (UK time) at Helicon Building*
September 23, from 12 PM to 3 PM (local time), at the Oracle Corporation offices.

[London Booking Link](#)

Next week: Dublin - *Thursday, Sept 25, 12 - 3pm (Irish time) at Matheson LLP*
Sept 25, from 12 PM to 3 PM (local time), at the Matheson's Dublin 2 offices

[Dublin Booking Link](#)

Milan - *Thursday, Nov 20, 15h - 1730h, at Toffoletto De Luca offices, Milan*
NOTE CHANGE of DATE Nov 20th, 3pm - 5.30pm (local time) at Toffoletto De Luca Tamajo offices at 12 Via Rovello, Milan. Updated agenda will include discussion on restrictions on employers retaining employee email metadata (NB This is not a luncheon, there is a post meeting drinks reception)

[Milan Booking Link](#)

Paris - *Thursday, Dec 11, 12noon - 3h (CET) at Flichy Grangé*
12 to 1500h at Flichy Grangé Avocats 16 Rue du 4 Septembre, Paris 75002, France

[Paris Booking Link](#)

European Academy Training: Managing EWC 3.0 Oct 14-16, Hotel Estela, Barcelona, Spain

Ensuring a Successful Transition to New EWC Directive Requirements is a three-day, expert-led workshop designed to help you navigate the transition to the new 2025 EWC Directive. This hands-on program is tailored for those managing EWCs

[Register for EWC
III training](#)

HRPG/CMS Labour Relations Workshop 10h - 16h on Jan 13, 2026, CMS office **Frankfurt**

2026's annual HRPG/CMS German/Global Labour Relations Workshop is on Tues, Jan 13, 2026: 10Uhr to 16Uhr, at [CMS's Frankfurt office](#). This gives members based in Germany, an opportunity to connect. Reception on Mon, Jan 12, at Scandic Hotel.

[Register for
Frankfurt Jan 2026](#)

*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](#).

See [online list](#) of all upcoming HR Policy Global events

Upcoming Events Across Europe:

Date	Event	Booking Links	Venue
Sept 23	Members Meeting - London, U.K.	London Booking Link	London - hosted by Oracle at Helicon office
Sept 25	Members meeting - Dublin, Ireland	Dublin Booking Link	Dublin with Mathesons LLP
Oct 14 - 16	Training : Managing EWC 3.0: Successful Transitions to New EWC Dir Requirements	Training Booking Link	Hotel Estela, Sitges, Barcelona, Spain
Nov 20	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
Jan 13 2026	HRPG/CMS Labour Relations Workshop	Frankfurt Booking Link	CMS office at Neue Mainzer Str. 2-4, 60311 Frankfurt.