



BOARD-LEVEL EMPLOYEE REPRESENTATIVES – IMPACT AND FUTURE

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BOARD-LEVEL EMPLOYEE REPRESENTATIVES (BLERs)

OUTLINE

- Background to *Worker Directors* in Ireland
- Present situation
- Recent/current studies by TASC
- Approach at EU-level – other Member States
- ETUC Position Paper

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WORKER DIRECTORS

➤ Worker Participation (State Enterprises) Act 1977

- Enacted 4 April 1977 – Forty years ago

- Covered:

- Bord na Mona
- CIE
- ESB

Set up by Statute

- Aer Lingus
- B&I Shipping Co
- Comhlucht Siúicre Éireann
- Nitrigín Éireann

Set up under Company
legislation

1977 ACT

- **Section 10 – Right to vote**
 - Over 18 years
 - Employed for a period of one year
- **Section 11 – Candidates must be:**
 - An employee aged between 18 and 65 years
 - Employed for not less than three years
- **Trade unions or other qualified bodies can nominate candidates for election**

1977 ACT

➤ Section 13 – Preliminary poll

- A trade union (or trade unions) can object to the election and call for a preliminary poll as to whether an election should proceed.

➤ Section 18 – Remuneration/Allowances

- The same as appointed directors
- Protection for Worker Directors from loss of income from regular employment

1977 ACT

- **Section 23 – Number of Directors / Members**
 - Minimum of three or one-third of board
 - Amendments to relevant Acts

Cabinet eventually decided on twelve board members:

Four elected worker directors + the CEO + seven Government nominated Directors/Members

An Post, Telecom Éireann and Coillte

The Postal and Telecommunications Services Act, 1983, which established **An Post** and **Telecom Éireann** extended the Act to the two new semi-State companies

The Forestry Act, 1988, established **Coillte Teo**. However, it did not legislate for worker directors, but by agreement the workforce was allowed to elect one member of the board

1988 ACT

- ❖ Extended 1977 Act to:
 - ✧ National Rehabilitation Board (NRB)
 - ✧ Aer Rianta (DAA)
- ❖ Extended the term of office from 3 (in 1977 Act) to 4 years
- ❖ Establish *Consultative Bodies* (known as sub-board structures) in some 40 semi-State enterprises and State agencies
 - ❑ Approximately 20 still exist!!

Companies with Worker Directors 1977-88

- ◆ Aer Lingus
- ◆ Aer Rianta (DAA)
- ◆ An Post
- ◆ B&I Shipping Co
- ◆ Bord na Mona
- ◆ CIE
- ◆ Comhlucht Siúicre Éireann
- ◆ Coillte
- ◆ ESB
- ◆ Nitrigín Éireann
- ◆ NRB
- ◆ Telecom Éireann

Companies with Worker Directors 2017

- ◆ Aer Lingus
- ◆ Aer Rianta (DAA)
- ◆ An Post
- ◆ ~~B&I Shipping Co~~
- ◆ Bord na Mona
- ◆ Dublin Port Authority *
- ◆ CIE
- ◆ ~~Comhlucht Siúicre Éireann~~
- ◆ Coillte *
- ◆ ESB
- ◆ Inland Fisheries *
- ◆ ~~Nitrigin Éireann~~
- ◆ ~~NRB~~
- ◆ ~~Telecom Éireann~~
- ◆ RTÉ *
- ◆ Shannon Airport Group *
- ◆ Teagasc *

* Not under the two Acts

TASC Study 2012

TASC published a useful study on the Worker Director system in 2012 * and are currently undertaking a follow-up study on behalf of the Workers Directors' Group

*** See: <https://www.tasc.ie/publications/good-for-business-worker-participation-on-boards/>**

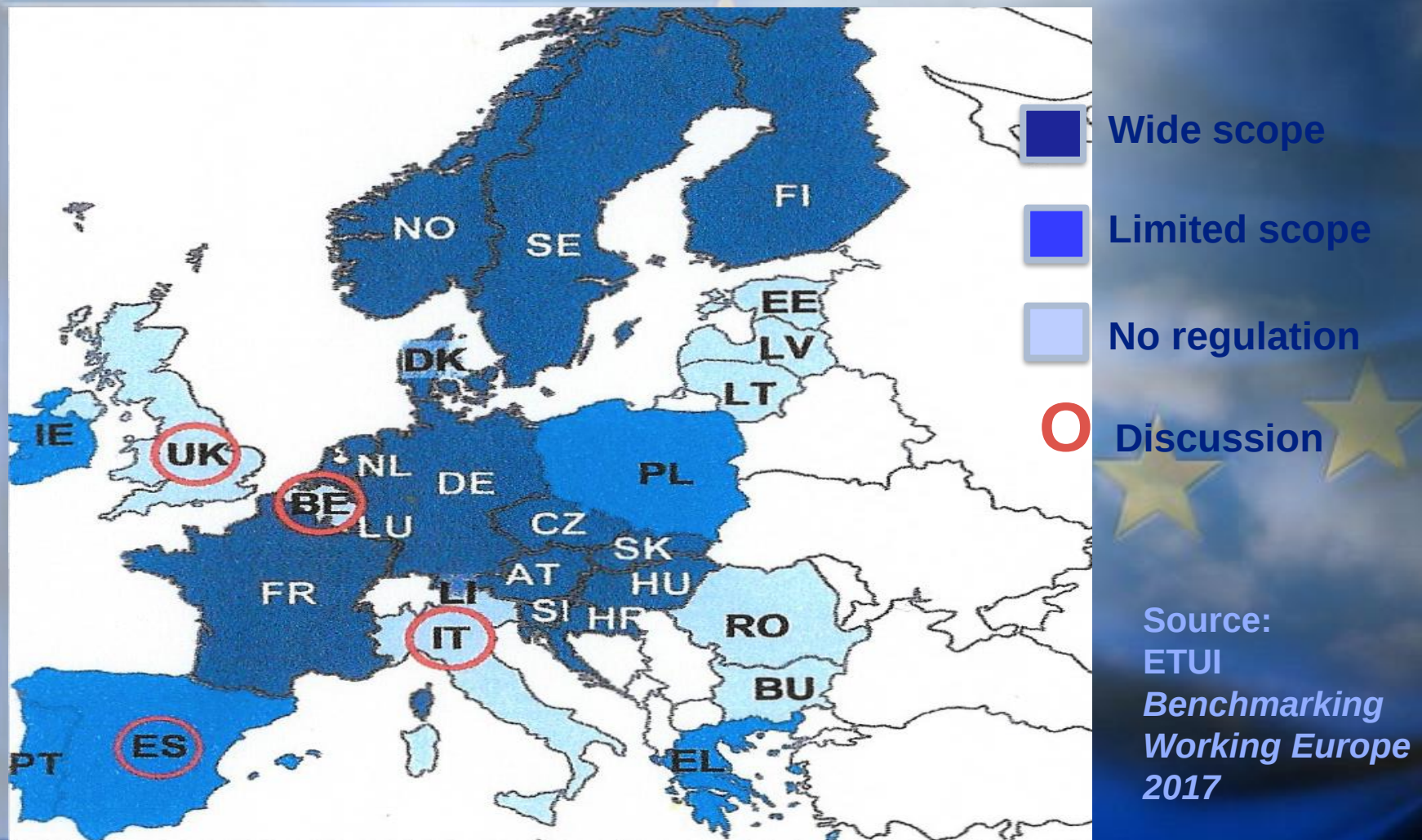
BLER IN EU MEMBER STATES

EU Legislation

**66 Transnational enterprises have BLERs
under the European Company (SE) Directive
(2001/86/EC)
out of over 2000 SEs**

Source: ETUI *Benchmarking Working Europe 2017*

BLER IN EU MEMBER STATES



Source:
ETUI
*Benchmarking
Working Europe
2017*

ETUC POLICY PAPER

In July 2016 the ETUC Executive Committee agreed a policy on BLERs which calls on the European Commission to propose a draft Directive to:

- Put in place a system for workers' representation on the boards of transnational enterprises operating within the EU
- Workers' representatives on boards should be full members with the same rights and duties as the members representing shareholders

ETUC POLICY PAPER

- Policy paper proposes an escalating workers' representation depending on the size of the enterprise (including its direct or indirect subsidiaries):
 - Small companies with 50 to 250 employees should have a low proportion of BLERs (i.e. 2 or 3)
 - Companies with 250 to 1,000 employees one third representation
 - Big companies with more than 1000 employees - half of the board members
- BLERs must have enterprise works councils to report to, including EWCs
- There should be a gender balanced in representation



GO RAIBH MAITH AGAT THANK YOU

www.etui.org

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