

## In this week's issue:

- **EU:** Deal on minimum wage and collective bargaining agreed
- **EU:** Deal agreed on board gender balance
- **Data protection:** Better a dip in an ice pool
- **Belgium:** Sickness absence rule changes
- **France:** Force Ouvrière (FO) elects new leader
- **Europe:** Inflation in Europe
- **Future work:** Prof Chris Grey reflects on WfH
- **ESG:** Best not to say anything?

## EU: Deal on minimum wage and collective bargaining agreed

### COLLECTIVE BARGAINING



Last Monday, June 6, negotiators for the European Council, the European Parliament, and the Commission agreed a deal on the proposed Directive on an adequate minimum wage. The deal will require formal ratification by the Council and the Parliament, and member states will then have two years to transpose it into national law, which should see it come into force sometime in 2024.

At the time of writing the text of the agreement is not available and as the devil is always in the detail we cannot be certain as to what exactly has been agreed. From what we do know member states will collect data on minimum wage coverage, assess prices for common household items and promote the principle of collective bargaining to help enforce adequate minimum pay rates. The Directive will also impose obligations on member states to establish clear criteria for updating minimum wages every two to four years and to set up consultative bodies in which social partners will be involved.

As readers of this newsletter will be aware, our main interest in the proposed Directive has been around its provisions on the promotion of collective bargaining. A press release from the Commission says that member states will have to promote and facilitate “collective bargaining on wages by trade unions and employers.”

“Countries with high collective bargaining coverage tend to have a lower share of low-wage workers, lower wage inequality and higher wages,” the Commission said. Member states whose collective bargaining coverage is assessed at less than 80 per cent of workers will have to set up a plan to facilitate such talks between employers and workers, it added. A statement from the European Parliament said:

*The provisional agreement between the Council and the European Parliament in particular foresees that where the collective bargaining coverage rate is less than a threshold of 80% member states should establish an action plan to promote collective bargaining. The action plan should set out a*

*clear timeline and concrete measures to progressively increase the rate of collective bargaining coverage.*

However, as the text of the agreed Directive is not yet available, how extensive this obligation will be is unclear. No doubt, there will be considerable debate around this issue in member states, where collective bargaining coverage is low, or in which employers are not obliged to recognise trade unions.

“This is a good day for social Europe. We have reached an agreement on the directive on adequate minimum wages in the EU. This is especially important at a time when many households are worried about making ends meet,” said Nicolas Schmit, European commissioner for jobs and social rights.

## EU: Deal agreed on board gender balance

---

Agreement has been reached between the European Parliament and the Council on the Directive on improving the gender balance among non-executive directors of listed companies [proposed by the Commission](#) in 2012. According to the Commission,



*Europe has many highly qualified women with 60% of current university graduates being female. Nevertheless, women are underrepresented in high-level positions, including in corporate boards and the progress is very slow. Only a third of members of non-executive corporate boards are women and this is even less among executive boards.*

The Directive sets a target for EU companies listed on the EU stock exchanges to accelerate the reach of better gender balance. It sets a share of 40% of the underrepresented sex among non-executive directors and 33% among all directors. These companies must ensure that board appointment procedures are clear and transparent, and that applicants are assessed objectively based on their individual merits, irrespective of gender.

The agreed Directive will push gender balance on corporate boards of listed companies across the EU, while allowing for flexibility for member states that have adopted equally effective measures. This flexibility will allow for the suspension of the procedural requirements set out in the Directive. The main elements of the Directive are:

- **At least 40% of the underrepresented gender** must be represented in non-executive boards of listed companies or 33% among all directors. Member States have to ensure that companies strive to achieve this objective. Those companies that do not achieve those objectives must apply transparent and gender-neutral criteria in the appointment of directors and prioritise the underrepresented sex where two candidates of different sexes are equally qualified.
- **Clear and transparent board appointment procedures** with objective assessment based on merit, irrespective of gender. The selection procedure of non-executive directors will need to comply to the following binding measures:
  - Where two candidates of different sexes are equally qualified, preference shall be given to the candidate of the underrepresented sex, in companies where the target for gender balance is not achieved.
  - Companies must disclose their qualification criteria should the unsuccessful candidate request it. Companies are further responsible to prove no measures were transgressed, if there is suspicion that an unsuccessful candidate of the underrepresented sex was equally qualified.

- Companies must undertake individual commitments to reach gender balance among their executive directors.
- Companies that fail to meet the objective of this Directive must report the reasons and the measures they are taking to address this shortcoming.
- Member States' penalties for companies that fail to comply with selection and reporting obligations must be effective, proportionate, and dissuasive. They could include fines and nullity or annulment of the contested director's appointment. Member States shall also publish information on companies' that are reaching targets, which would serve as peer-pressure to complement enforcement ("faming" provision).

Once formally adopted, member states will have two years in which to transpose the Directive into national law.

## Data protection: better a dip in an ice pool

---



Whenever we mention the GDPR or data protection laws in this newsletter eyes roll to heaven and a dip in an ice pool seems joyous by comparison. We understand the feeling. It used to be said that pension specialists made accountants look exciting. Pension specialists will be forever grateful that the GDPR text and number crunchers came along to rescue them from that underserved position at the bottom of the excitement league.

Nonetheless, human resource and labour relations executives need to understand the basics of data protection law and, increasingly, how it will interact with the use of algorithms in decision making. Members of works councils and union delegations certainly will.

For European executives in US-based companies one area of the GDPR they need to know is how data can be legally transferred from the EU to the US. With the Privacy Shield struck down by the European Court and its replacement not yet in place, the main conduit for the transfer of data is Standard Contractual Clauses.

The EU has now published a handy Q+A guide to such clauses [here](#). We are not suggesting that you rush off and read it. But we would advise saving a copy to be consulted if and when your works councils or your European Works Council asks questions about the issue.

## Belgium: Sickness absence rule changes

---



According to Belgium [newspaper reports](#), a number of changes covering sickness absence are on the way. Employees will no longer need a medical cert if they are absent for just one day. This is seen by the government as relieving pressure on doctors to provide such certs.

Further, it will be unlawful to dismiss an employee during the first nine months of absence. Employees returning from long-term absence will be entitled to work less than a third of their weekly schedule and may opt to work just three hours a day.

We will publish fuller details when they are available.

## France: FO elects new leader



Frédéric Souillot, previously chief of the metalworkers' section, has been elected as the new general secretary of Force Ouvrière (FO), the third largest French trade union federation. FO is a fractious organisation, made-up of "reformists" - those willing to negotiate - and Trotskyists and anarchists, who favour a more confrontation approach to "capitalism" and the "state".

Souillot has led the metalworkers since 2008 and had been a member of FO's executive board since 2015. His election at a conference of the union last week comes after several turbulent years for FO, which saw the resignation of a previous general secretary, Pascal Pavageau, when it was discovered that he had a "black" file on union rivals.

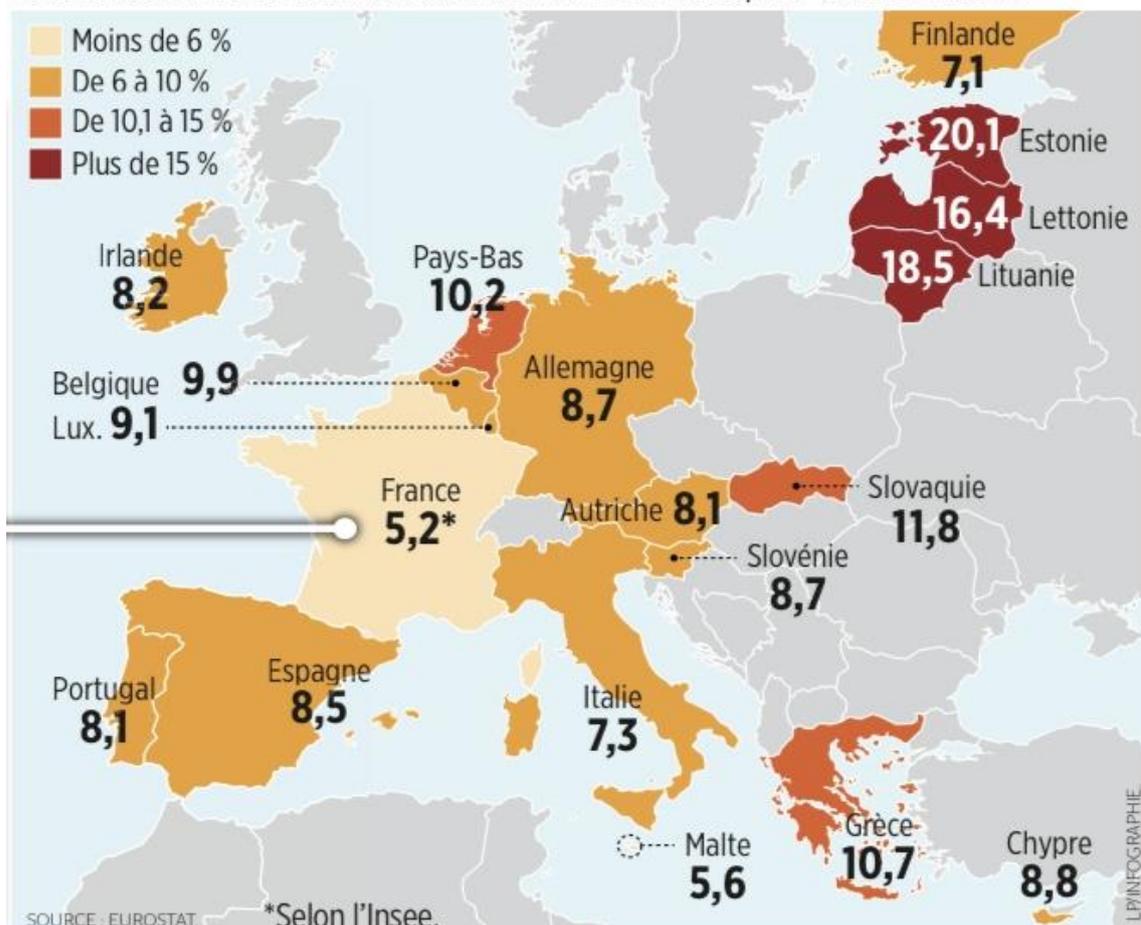
The conference ended with the federation united in its determination to fight President Macron's plan to raise the pension age from 62 to 65. FO wants to see it brought down to 60. The union will also focus on works council elections in the civil service later this year, its traditional stronghold.

## Europe: Inflation in Europe

An interesting chart from the French government based on Eurostat data:

### L'inflation moins forte en France

Estimation de l'inflation annuelle dans la zone euro pour le mois de mai



## Future work: Prof Chris Grey reflects on WfH

---



Chris Grey is Emeritus Professor of Organization Studies at Royal Holloway, University of London, and was previously a Professor at Cambridge University and Warwick University. While Chris is publicly best known for his weekly blog on Brexit – it would be an understatement to say he is not a fan – professionally his field has always been organisational studies. Here he offers some reflections on the debate about working from home, or away from the office: <https://author-chrisgrey.blogspot.com/>

## ESG: Best not to say anything?

---



***A warning to all senior executives... think before you speak...*** Simon Henry is the founder, main shareholder and CEO of the New Zealand-based chemical logistics and manufacturing company DGL. Henry gave an interview to National Business Review, according to a report in the *Financial Times*.

Henry opted to compare his fast-growing business to the meal kit delivery business My Food Bag, which floated at the same time as DGL but has since nearly halved in value. He aimed his comments at My Food Bag's founder, Nadia Lim, who, he said, used her "sensuality" to sell the company.

*"I can tell you, and you can quote me,"* Henry told the NBR reporter, *"when you've got Nadia Lim, when you've got a little bit of Eurasian fluff in the middle of your prospectus with a blouse unbuttoned showing some cleavage, and that's what it takes to sell your scrip, then you know you're in trouble."*

Lim, one of the best-known entrepreneurs in New Zealand after appearing on *MasterChef* and *Dancing With the Stars*, said the remarks by Henry could have a wider impact on younger women and people of colour who may hear such things and feel less capable than their peers.

NZ prime minister Jacinda Ardern described the comments as *"insulting to all women"*, while Nicola Willis, deputy leader of the opposition National party, said Henry had a *"completely outdated world view"*. Some investors who said they would no longer buy DGL stock and Ixom, one of its biggest customers, expressed concern at the *"insulting"* language.

According to the *Financial Times*, *"...the reputational damage for DGL was spectacular, suggesting comparisons with the famous gaffe by British businessman Gerald Ratner who referred to the products of his British jewellery chain as "total crap"."*



*ESG issues are of increasing concern to multinational companies. But company leaders can be pulled in different directions by competing stakeholders. Disney's experience in Florida is a recent example, with management being pushed in one direction over LGBT rights by employees, while the government of Florida, a significant stakeholder given Disney's tax status, had a radically different agenda... something that plays well in California may not play so well in Saudi Arabia?*

These and other issues will be discussed during our upcoming online global webinar program: Executive Training: Fundamentals of Global LR: June 28 – 30 – [Registration page HERE](#)

# THE BEERG AGENDA:

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

## BEERG Members' Network Annual Summit

Hotel Estela, Sitges Spain: June 15 - 17

Our June Summit will have 4 working sessions:

- EU Employment and Labour Law Legal Landscape,
- Disrupting the Disruptors: A Company Case Study,
- From the Fax to the Cloud - From Working 9-to-5 to Timeless Work,
- Political Perspectives: Europe: Ukraine/Russia; post-election France; A US view

The full agenda, with the list of guest speakers, is available [online](#)

*Please note the Hotel Estela is almost fully booked for accommodation*

[Book June meeting](#)

## Executive Training: Fundamentals of Global LR

Webinar: June 28 - 30

This course of three sessions, over three days, explores the strategic mindset and thought process of a successful global labor relations executive. This course is not an introduction to LR principles, it examines the strategic awareness needed to lead global labor relations.

[Book June Webinar](#)

## BEERG Members' Network Meeting

Pullman Hotel, Gare du Midi Brussels Sept 29/30

The September BEERG Network Meeting in Brussels is open to BEERG members, HR Policy Global members. Click link on right to book a place at the meeting. A draft agenda with details and accommodation booking form will be available by mid-July

[Book Sept Meeting](#)

## BEERG Training: Managing European Employee Relations

Hotel Estela Sitges: Oct 18-21

Over the past fifteen years, hundreds of executives have participated in our twice yearly BEERG training programs. We have radically restructured our program to include a twin track component offering participants a tailored choice of modules. Download the training brochure and draft course schedule [ONLINE HERE](#).

[Book Oct Training](#)

\*BEERG/HR Policy Global Members can self-register online for these events via the links supplied. Members who get the "No Tickets Available for Purchase" message online should contact [Derek](#).

## BEERG Dates for your Diary:

Date	Event	Booking Links	Venue
June 15 – 17	<b>BEERG June Members' Network Summit Meeting</b>	<a href="#">Book June Summit</a>	Hotel Estela, Port d'Aiguadolc, Sitges, Barcelona, Spain
June 28 – 30	<b>BEERG Training: Fundamentals of Global Labor Relations: A Training Program for HR Executives</b>	<a href="#">Book June Webinar</a>	Webinar on Zoom
Sept 29/30	<b>BEERG Members' Network Meeting</b>	<a href="#">Book Sept Meeting</a>	Hotel Pullman, Gare du Midi, Place Victor Horta 1, 1060 Brussels
Oct 18 - 21	<b>BEERG Training: "Managing European Employee Relations"</b>	<a href="#">Book Oct Training</a>	Hotel Estela, Port d'Aiguadolc, Sitges, Barcelona, Spain