



Bombardier European Works Council Report from the 2007 Main Meeting



At this year's Main Meeting, which took place in Berlin on 3 & 4 July, the European Works Council of Bombardier were represented by Employee Representative delegations from Norway, Sweden, Denmark, United Kingdom, Belgium, Germany, France, Spain, Italy, Austria, Switzerland, Czech Republic, Hungary and Poland.

National Reports:

In a series of intensive debates the Employee Representatives exchanged experiences and ideas for future common work. The detailed reports provided by each delegation are available to be passed on in written form.

The focal themes of the Employee Representative discussions were the differences in the pension arrangements and the increasing utilisation of temporary and agency workers.

Generally, it was stated that the structure of employees with permanent contracts was not increasing in the same way as the volume of orders. The hire of employees with fixed term contracts and agency workers, along with relocation of work to so called "low cost countries" was an increasing trend that could be found in most countries.

Therefore the European Works Council agreed on an aim of developing a strategy that could prevent negative impact on employees.

Railway privatisation:

After discussion on the direction of rail transportation it was stated:

"The question of privatisation is decisive for the current situation of the railway supply industry all over Europe. It is clear to note that there are big differences in respect to national situations. The European Works Council agrees that continued privatisation should be resisted. However, in such cases where privatisation is already established an attitude of campaigning for safety, accountability, value for money and safeguard of employee interests is adopted. This includes the challenge of privatisation in general. This differentiated position does not mean that the long-term refusal of privatisation has changed but wholly recognises the political environment and the necessity of representing daily interests of members employed in rail in countries with a private railway system.

The long-term aim, where privatisation has been implemented, remains the re-establishment of state owned and accountable railway networks.

Bombardier Code of Ethics:

Like in the previous years there was a vital discussion about the Bombardier Code of Ethics. The status of introduction obviously differs very much from country to country. In some countries changes to the Code of Ethics have been made.

Employee Representatives from Germany, Italy, France, Czech Republic and United Kingdom voiced strong reservations against the regulations of the Code, especially against the clause which restricts political activity. It was agreed to talk about this important matter with the Management in the Full Meeting.

European Constitution:

Kurt Neumann, a lawyer from Berlin, gave a lecture to this topic:

Status of the discussion about the European Constitution

Recently the Representatives of the EU came together, in order to agree on how to bring about a convention in form of a Constitution. This is an important topic because the whole life, especially the labor conditions, is dependent on the political regulation of the EU. The report included the latest developments as well as the result which was reached at the meeting of the Heads of States.

The European Constitution, having been withdrawn after a defeat in the votes in France and the Netherlands, is to get the blessing from the Representatives under a different name. This procedure again shows that the European Constitution and the way political decisions come about suffer from the enormous lack of democracy. Another point of criticism on the agreement is that the current ruling neo-liberal policy has reached a constitutional standing, but the social and employment political targets are still subordinate to the economic political targets and largely regulatory non-binding.

European Company (or Societas Europaea, SE):

Delegates briefly discussed developments in relation to EU Council Regulation (EC) No. 2157/2001 on the Statute for a European Company (or Societas Europaea, SE). This gives companies the option of forming a European Company (SE) which can operate on a Europe-wide basis and be governed by Community law directly applicable in all Member States (rather than national law).

Full Meeting with Bombardier Management:

The key topics of the Full Meeting were:

- The Economic and Financial situation of the Groups
- Consideration on the business policy of Transportation & Aerospace
- A presentation on the Bombardier Operations System (BOS)
- A report on the business situation and strategy of Rail Control Solutions
- A presentation on the HR Transformation in Bombardier Transportation

Economic and financial situation of the group:

The situation of the whole Group has highly improved, for Aerospace and Transportation a high receipt of orders could be detected. The Employee Representatives found fault with the distrust culture of the Bombardier Management, because in the previous years the information shared with Employee Representatives included not more than the information which could have already been read in the newspapers. The Employee Representatives brought up the following specific points:

- Consequences from the insolvency of Metronet (London Underground)
- Business policy of the Services' Division
- The purchasing strategy of Bombardier in that it can destroy existing regional industrial clusters and bring only apparent success for the Company

For Aerospace a further stabilisation is expected, because several US airline companies will free themselves from the state of insolvency and new orders will be expected. However, a clearly formulated withdrawal of the agreed and still not completely executed staff reduction did not happen.

Regarding the development of CRJ1000 it was stated that for the delivery in 2009 investments of US\$ 300 million are still necessary.

Bombardier Operations System (BOS):

To previous projects which are now continued under BOS it was stated that the opinions and ideas from employees and Employee Representatives were not being heard. BOS must not only serve to create new hierarchies.

“Lean” was mentioned as a specific example of business improvement tools. The Employee Representatives stated this concept had been introduced without adequate consideration to cultural interests. By the “lean” concept many highly qualified and experienced employees in production environments are treated like children. If BOS is to be realised with success then the systematic errors of “lean” and other business improvement methodologies will have to be abolished and rebuilt using the competency of the employees. Otherwise employees will not fully engage on such initiatives.

Rail Control Solutions (RCS):

The business area RCS has a receipt of order above all expectations. The situation for employees, however, is extremely different because of the differences of the markets, especially in Europe, and because of the differences of the technologies.

Although the business area RCS is small in comparison to rivals, it still plays a hugely important role for Transportation as it offers the ability to be a full line provider.

The main task for the present is to complete on going projects successfully. For this RCS has to have enough highly qualified specialists. This is why everything should be neglected that makes the employees insecure. Also the labour conditions have to be organised correspondingly.

HR Transformation:

The Employee Representatives cautiously welcomed the HR transformation as it was designed to strengthen personnel development. Notwithstanding this there are fears that the important local relationships between the representatives of the staff department and the employees will disappear by the HR transformation and shared services. Such an outcome must be avoided.

Bombardier Code of Ethics:

The Employee Representatives voiced strong opposition to the present format of the Code of Ethics. The Bombardier Code of Ethics violates the Declaration of Human Rights and fundamental legislations, because among other things it forbids political activities. Representatives of the Management recognised that the discrepancies identified by the Employee Representatives were 'fundamental in nature' and could not be dismissed as peripheral phenomena. In concluding the discussion topic Representatives of the Management noted the degree of opposition "was be understood, meanwhile further discussions may be necessary".

The on going activity of the European Works Council of Bombardier is contributing to improve the levels of understanding among Employee Representatives and helping to strengthen cooperation.