

The Netherlands: a special case

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Workers Directors in NL

- No real worker directors (WD) in NL. WD are not allowed to represent partial interests (workers, shareholders, banks etc.), but have to act in the interest of the company as a whole.
- Workers and union officials are not allowed on boards (NL has a two-tier system) of their own company.
- Works council nominates member(s) of the supervisory board

Confidentiality (1)

Worker representatives (works councils, worker directors) are entitled to **all** (not only worker-related) information.

Management not allowed to keep back confidential information, even if this information (if made public) might harm the interests of the company.

Strict rules for worker reps to keep confidential information secret.

Board members and works council are both entitled to information in a very early stage.

Confidentiality (2)

In practice, the main problem is that worker reps in works councils do not receive the relevant information in due time.

Board members usually get all information in due time.

Problems in listed companies. Securities law.

No 'leaks' by works council members. Very rarely: breach of confidentiality by union officials.

Case: X BV

Dutch company, US subsidiary

Composition of supervisory board: CEO and CFO of mother company, one independent.

Mother company requests cash from NL subsidiary

Works council refuses. Contacts between works council and supervisory board member

Mother bankrupt. Subsidiary sold to company from India. Role works council and supervisory board.

Tension

Tension between getting information early on the one hand and informing the workforce on the other.

In the Netherlands, worker reps usually choose the former option. This is very much related to the peaceful industrial relations system.