

October 28, 2019

NW19-029

To: NW Council Representatives

From: Joel Funfar (SPEEA President), Michael Shea (SPEEA NW Vice President), Daniel Peters (SPEEA NW Vice President).

Subject: PRE-SUBMITTED NEW BUSINESS: Support Employees as Members of the Boeing Board of Directors (BOD)

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### **Background**

There have been calls to replace some or all of the members of the Boeing Board of Directors (BOD). The SPEEA represented Boeing employees are represented by the Northwest Council.

It would be to the company's advantage to have members of the Boeing BOD have some knowledge of Aircraft Production / Maintenance, Piloting, Technical, or Engineering of aircraft.

In Europe many countries have this idea codified in laws; it helps the corporations to have more of a shared societal accountability.

When French Airbus engineering unions visited SPEEA years ago they explained how it worked for them. In Germany this started in 1848 and ran until 1933 when the new party in power eliminated it, in 1946 and 1947 the Allies reinstated these laws and since then they have been strengthened even more. Airbus has done well with unions electing members for the union spots on their board of directors, so idea has a long history of working in the business of aircraft production

[https://en.wikipedia.org/wiki/Codetermination\\_in\\_Germany](https://en.wikipedia.org/wiki/Codetermination_in_Germany)

**Codetermination in Germany** is a concept that involves the right of workers to participate in management of the companies they work for.<sup>[1]</sup> Known as *Mitbestimmung*, the modern law on codetermination is found principally in the *Mitbestimmungsgesetz* of 1976. The law allows workers to elect representatives (usually trade union representatives) for almost half of the supervisory board of directors. The legislation is separate from the main German company law Act for public companies, the *Aktiengesetz*. It applies to public and private companies, so long as there are over 2,000 employees. For companies with 500–2,000 employees, one third of the supervisory board must be elected.

There is also legislation in Germany, known as the *Betriebsverfassungsgesetz*,<sup>[2]</sup> whereby workers are entitled to form Works Councils at local shop floor level.

### **Interests of workers**

On the assumption that the primary goal of employers is to maximize profits in the interests of shareholders, codetermination can reorient the company's goals in the interests of workers. A better balance may be struck so that the company interests are not so one sided. For unions, codetermination is part of democratizing the economy. It is also a way for workers to better the terms and conditions of their contracts in an orderly and regulated way.

### **Motion**

It is moved **the NW Council recommends some Boeing Board of Directors positions be elected by Boeing employees and/or unions, and some positions filled from union elected members.**