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*Plenary sitting*

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**B8-1052/2016**

28.9.2016

## **MOTION FOR A RESOLUTION**

to wind up the debate on the statements by the Council and the Commission

pursuant to Rule 123(2) of the Rules of Procedure

on the need for a European reindustrialisation policy in light of the recent  
Caterpillar and Alstom cases  
(2016/2891(RSP))

**Karima Delli, Yannick Jadot, Ernest Maragall, Bart Staes**  
on behalf of the Verts/ALE Group

**European Parliament resolution on the need for a European reindustrialisation policy in light of the recent Caterpillar and Alstom cases (2016/2891(RSP))**

*The European Parliament,*

- having regard to Articles 9, 151, 152, 153(1) and 173 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to Articles 14, 27 and 30 of the Charter of Fundamental Rights of the European Union,
- having regard to Council Recommendation 92/443/EEC of 27 July 1992 concerning the promotion of participation by employed persons in profits and enterprise results (including equity participation)<sup>1</sup>,
- having regard to Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies<sup>2</sup>,
- having regard to Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation<sup>3</sup>,
- having regard to Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community<sup>4</sup>,
- having regard to the Commission communication of 31 March 2005 entitled ‘Restructuring and employment: Anticipating and accompanying restructuring in order to develop employment: the role of the European Union’ (COM(2005)0120) and the corresponding opinion of the European Economic and Social Committee of 14 December 2005<sup>5</sup>,
- having regard to its resolution of 8 May 2012 on a resource-efficient Europe<sup>6</sup>,
- having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006,
- having regard to its resolution of 15 January 2013 with recommendations to the Commission on information and consultation of workers, anticipation and management

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<sup>1</sup> OJ L 245, 26.8.1992, p. 53.

<sup>2</sup> OJ L 225, 12.8.1998, p. 16.

<sup>3</sup> OJ L 303, 2.12.2000, p. 16.

<sup>4</sup> OJ L 80, 23.3.2002, p. 29.

<sup>5</sup> OJ C 65, 17.3.2006, p. 58.

<sup>6</sup> OJ C 264E, 13.9.2013, p. 59.

- of restructuring<sup>1</sup>,
- having regard to its resolution of 15 March 2013 on a roadmap for moving to a competitive low-carbon economy in 2050<sup>2</sup>,
  - having regard to the Commission communication of 13 December 2013 on an EU Quality Framework for anticipation of change and restructuring (COM(2013)0882),
  - having regard to its resolution of 15 January 2014 on reindustrialising Europe to promote competitiveness and sustainability<sup>3</sup>,
  - having regard to its resolution of 8 July 2015 on the Green Employment Initiative: Tapping into the job creation potential of the green economy<sup>4</sup>,
  - having regard to its resolution of 9 June 2016 on the competitiveness of the European rail supply industry<sup>5</sup>,
  - Rule 123(2) of its Rules of Procedure,
- A. whereas Caterpillar announced on 2 September 2016 that it would close its Belgian headquarters in Gosselies in April 2017, making more than 2 000 workers redundant; whereas between 2009 and 2015 the company's shareholder dividends increased by 50 %, while jobs were cut by 15 %;
- B. whereas Alstom announced on 7 September 2016 that it would move its train production operations in France from Belfort to Reichshoffen, jeopardising 400 jobs; whereas Alstom released a statement in May 2016 that its adjusted earnings before interest and tax had increased by 23 % in the fiscal year through March;
- C. whereas the closure of large corporations and redundancies often affect a network of locally rooted subcontractors and SMEs;
- D. whereas the share of direct employment in the industrial sectors declined across Europe from some 20 % in 2000 to 15.5 % in 2015;
- E. whereas labour productivity has grown much faster in recent decades than resource productivity, while estimates show that labour represents less than 20 % of production costs, with resources representing 40 %;
- F. whereas increases in labour productivity in recent decades have been greater than wage increases in the EU as a whole, leaving salaries unable to absorb the increase in production, forcing a reduction in production or making it fully dependent on exports;
- G. whereas a number of large industrial manufacturing companies have been pursuing strategies with a focus on short-term financial returns, and whereas that permanent

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<sup>1</sup> OJ C 440, 30.12.2015, p. 23.

<sup>2</sup> OJ C 251E, 31.8.2013, p. 75.

<sup>3</sup> Texts adopted, P7\_TA(2014)0032.

<sup>4</sup> Texts adopted, P8\_TA(2015)0264.

<sup>5</sup> Texts adopted, P8\_TA(2016)0280.

pressure for an increase in capital profitability has been to the detriment of innovation, investment in R&D, employment, wages and skill renewal;

- H. whereas the EU has a huge external trade surplus and must therefore rebalance its internal demand to avoid external dependency and contribute to sustainable and fair growth at global level;
- I. whereas reliance on international trade has reduced employment in industry but has led not to a reduction in consumption of material in the EU, but simply to an increase in the import of energy-intensive products;
- J. whereas the countries with the highest innovation rate are those with a clear industrial strategy; whereas the countries and sectors which are most resource efficient are the most competitive; whereas the EU has a low rate of conversion of R&D results into products and services;
- K. whereas the energy efficiency and renewable energy sectors alone could create 5 million direct and many more indirect jobs by 2020;
- L. whereas the European rail supply industry (RSI), which encompasses several manufacturing sectors and includes numerous SMEs, employs 400 000 employees, invests 2.7 % of its annual turnover in R&D and accounts for 46 % of the world RSI market; stresses that the railway sector overall is responsible for more than 1 million direct and 1.2 million indirect jobs in the EU;
- M. whereas restructuring becomes an issue for stakeholders only at a late stage, most often when redundancies are being considered;
- N. whereas, when restructuring, it is the immediate and easily perceptible impact on employment that attracts most attention, while the adverse effect on working conditions and workers' health is not properly recognised and addressed;
- O. whereas, in cases of restructuring where redundancies are unavoidable, younger and older workers are more often targeted for redundancy than other age groups, even when this constitutes age discrimination under relevant EU legislation;
- P. whereas companies involved in restructuring should act in a socially responsible manner, experience having shown that socially and economically sustainable restructuring requires sufficient social dialogue, with a special focus on informing and consulting workers, as outlined in Parliament's aforementioned resolution of 15 January 2013;
- Q. whereas there is a need to prepare workers in a timely manner for a shift towards a resource-efficient, climate-friendly economy which has a huge employment potential but will give rise to the restructuring of unsustainable sectors and companies;
- R. whereas cooperatives manage restructuring in a socially responsible manner, and whereas their specific cooperative governance model, based on joint ownership, democratic participation and members' control, as well as their ability to rely on their own financial resources and support networks, explain why cooperatives are more

flexible and innovative in managing restructuring over time, as well as in creating new business;

- S. whereas the EU needs an ambitious, eco-efficient and green industrial strategy in order to recreate manufacturing capacity and to generate high-skilled, well-paid jobs;
- T. whereas the green sector was one of the main net creators of jobs in Europe during the recession, and whereas companies with a long-term plan for operating in the green economy create jobs that are more resilient to the current externalities of the globalised economy; whereas the potential for expansion in green jobs is hampered by a skills deficiency and mismatch caused by a number of factors, including variability of curricula in relation to sustainability, identified shortcomings in particular sectors and a lack of students with the necessary STEM (science, technology, engineering and mathematics) and IT (information technology) skills;

### ***Boosting the real economy through a sustainable reindustrialisation policy***

1. Calls for a coordinated economic policy based on higher social standards and internal demand as the driving force, whereby salaries would increase in line with labour productivity throughout the EU;
2. Reiterates its call for a common EU reindustrialisation policy which combines competitiveness, sustainability and quality employment and enables industry to be actor in the transition to sustainability and to tackle major societal challenges; believes that, in the face of global challenges and the increased pressure of globalisation on several European industry sectors, it is essential that energy and resource efficiency be at the heart of the renewal of European industry if it intends to maintain its competitiveness in the future;
3. Calls for this policy to be based on clear targets and indicators – including ambitious energy-efficiency, resource and climate objectives – and a life-cycle and circular economy approach; stresses that it should include a smart mix of supply- and demand-side measures aimed at re-localising the economy in the EU, making it more resilient and less resource dependent; points out that it should steer investments into creativity, skills, innovation and sustainable technologies and promote the modernisation of Europe's industrial base through a value-chain-conscious policy that includes the basic industries and their regional and local actors; believes that such an approach could deliver cost-efficient benefits for European industry and the European economy as a whole;
4. Believes that an EU reindustrialisation policy should focus in particular on EU strategic sectors, stimulate development and uptake of energy efficiency, renewable energies, resource efficiency and social innovation, and be supported by investment in public transport infrastructure (including rail and tram infrastructure) and smart deployment of information and communication technologies (ICT), with a view to providing strong leverage to achieve reindustrialisation; stresses that such a policy should also serve the agriculture and raw materials sectors; believes that the EU needs to develop a common understanding of what its strategic sectors are and to promote their long-term resilience;
5. Believes that legislation is a driver of innovation and that setting high (environmental)

standards in the EU stimulates the necessary private R&D investments that enable European companies to deliver quality products/services in the EU market and to compete on international markets; regrets that the EU appears to be losing its leading role in setting, implementing and enforcing high environmental standards (as demonstrated by the ‘Dieselgate scandal’) and calls for efforts for it to regain its leadership;

6. Believes that structural changes to national and international financial and fiscal systems, including shifting taxation policies from labour to resources, the internalisation of external costs, fossil fuel divestment and making the emissions trading system (ETS) function, are essential for creating an economic framework which fosters private and public investment and in which a sustainable industrial policy may achieve its objectives;
7. Points to austerity measures that have significantly reduced the investment capacity of public authorities in infrastructure projects such as the public mobility sector which would support sustainable quality job creation and the re-localisation of the economy;
8. Points to the failure of many years of massive intervention in support of banks and asset markets in the EU to have any impact on jobs and improved economic prospects; regrets similarly the disappointing results of the Juncker investment plan, and recalls the numerous European Central Bank lending surveys saying that firms were looking for business not funding; believes these to constitute clear evidence for policymakers that public intervention should be shifted from over-stimulating the supply side to concerted fiscal policies aimed at stimulating demand;
9. Regrets the gradual financialisation of the real economy driven by a corporate culture focused on a short-term financial outlook – i.e. value creation for shareholders – rather than maintaining an innovative industrial tool that can provide sustainable, quality jobs and long-term benefits to society; regrets that this approach has led to numerous job losses in the manufacturing sector; calls on the Commission to come forward with a legislative proposal that would dissuade and penalise companies engaging in mass redundancies when generating profits, by means of restricting their access to EU funds, for example;
10. Deplores the lack of fair taxation at EU level of large corporations operating around Europe and globally; believes that tackling tax evasion and avoidance would enable taxes on SMEs to be reduced and local public budgets to be replenished for investment in the future; calls for the establishment of a common consolidated corporate tax base (CCCTB) as an own-resource to the EU budget;

### ***The energy and sustainability transition as main drivers of reindustrialisation***

11. Calls for the allocation of EU and Member State public and private resources in a wide green investment plan focused on the energy transition, sustainable mobility and the circular economy to replace the previous investment in roads; believes that EU funds, including the European Structural and Investment Funds and Connecting Europe Facility funds, offer a large opportunity to finance those investments; believes that state-aid guidelines should be better tailored and used to deliver innovation- and sustainability-enhancing policy measures; calls for a drastic improvement in the

implementation of sustainability as well as social and employment criteria in the use of EU funds, in particular the European Fund for Strategic Investments (EFSI) and all financial instruments managed through the European Investment Bank (EIB);

12. Calls for an EU smart specialisation agenda and for prioritising R&D in those sectors where the EU can lead, such as in resource and energy efficiency, renewable energy sources, the circular economy, sustainable agriculture and quality healthcare; calls for concrete instruments for enabling the EU and Member States to pool R&D efforts in those priority areas and to enable the uptake of the results in the local economy; believes that further synergies between Horizon 2020 and smart specialisation initiatives (RIS3) should be fostered to ensure better R&D exploitation and to support regional economic convergence; calls for increased support for innovation clusters and technological centres as intermediaries between research and industry;
13. Believes that public procurement and eco-labelling have an essential role to play in the uptake of sustainable products, services and innovations and in the re-localisation of the economy; calls for swift implementation of the EU public procurement directives of 2014 and for a concerted effort by Member States and the Commission to ensure that contracting authorities base their tendering decisions on the MEAT (most economically advantageous tender) principle, focusing on life-cycle costs and environmentally and socially sustainable products, preventing wage dumping and exploitation of workers (and unfair competition) and helping to strengthen regional economic structures;
14. Recognises the importance and specific nature of the rail supply industry for European industrial growth, jobs and innovation, characterised by the manufacture of equipment with a lifespan of up to 50 years, high capital intensity, a significant dependence on public procurement and the obligation to comply with very high safety standards; recalls the essential contribution of rail transport in delivering climate change objectives and the need to ensure that Europe maintains a technological and innovative advantage in this sector; urges the Commission to support the targets for a modal shift to rail for both passenger and freight transport, as formulated in the 2011 White Paper on Transport, with concrete policy steps and further efforts to promote efficient technologies, interoperability, innovative mobility solutions and local sourcing policies; asks the Commission to ensure increased use of the European Structural and Investment Funds – and in particular the European Regional Development Fund (ERDF) – for supporting rail investment projects at regional level that generate sustainable quality job creation, including the development of local transport infrastructure such as tram infrastructure;
15. Recalls the huge (quality) job creation potential and cost reduction benefits that energy efficiency improvements are expected to yield; stresses that measures, including targets, standards and benchmarking mechanisms, that improve energy efficiency must therefore underpin initiatives in all industrial sectors; point out that the transport and construction industries, in particular, must pursue an active energy-savings policy and diversify towards sustainable, non-polluting, safe energy sources; stresses that an industrial policy should help create market conditions which stimulate higher energy savings and energy efficiency investments, in order to exploit a wide range of renewable energies and key technologies for energy storage mobility (notably public transport);

### *Aligning trade policy with the reindustrialisation and transition objectives*

16. Emphasises that trade and investment policies should be aimed at contributing to sustainable development, the creation of quality jobs and the promotion of high social and environmental standards in industry and manufacturing; calls on the Commission to ensure that trade agreements consolidate those standards;
17. Believes that this is not the policy currently pursued by the EU, and warns against the intensification of competition pressure that would arise from the introduction of trade agreements such as the EU-Canada Comprehensive Economic and Trade Agreement (CETA) or the EU-US Transatlantic Trade and Investment Partnership (TTIP), which it is estimated would lead to losses in Europe of 200 000 and 600 000 jobs respectively, most of which in the industrial manufacturing sector, exacerbating current deindustrialisation trends while also running counter to the global climate commitment (290 % increase in freight by 2050);
18. Stresses the need to prevent EU trade policy from fostering anti-competitive practices, including social and environmental dumping, in particular the dumping of cheap products that put European standards at risk and affect EU-based industries; call for the EU to urgently take the necessary measures to defend itself against unfair trading practices and to strengthen its trade defence instruments significantly by improving their reactivity and effectiveness; is concerned in this context about the granting of market economy status to China; calls on the Commission to introduce border adjustment mechanisms and for customs tariffs to be considered as a means to avoid environmental dumping, worker exploitation and unfair competition;
19. Stresses that while in several sectors of the economy the EU is largely open to competitors from third countries, third countries have several barriers in place that discriminate against European companies; stresses that third-country competitors, especially from China, are expanding rapidly and aggressively into Europe and other world regions, often with strong political and financial support from their country of origin (e.g. generous export credits outside the scope of OECD rules); stresses that such practices may constitute unfair competition and threaten jobs in Europe; highlights the need therefore for a fair and level playing field as regards global competition for reciprocal market access in order to avert the risk of job losses and to safeguard industrial know-how in Europe; asks the Commission to assess whether the current set of EU competition rules should be updated taking account of the situation on the global market;
20. Calls on the Commission to better monitor non-European investment in EU Member States (such as in the rail sector) and to guarantee compliance with European public procurement legislation, for example the legislation on abnormally low tenders and unfair competition;

### *Socially responsible restructuring and quality job creation in future-oriented sectors*

21. Deplores the closure of Caterpillar and Alstom, which will affect thousands of workers and their families and have a disproportionate impact on the local and regional economy, with significant spill-over effects; condemns such mass redundancies for purely economic/profit reasons;



22. Considers it necessary to envisage, promote and enhance anticipatory measures concerning the situation of Caterpillar and Alstom and the likely change in employment and working conditions, in particular where these may be under threat;
23. Points out that restructuring processes have an impact beyond the scope of a single company, as companies increasingly work in networks, which intensifies the need to set up multipartite forums for debate on social issues;
24. Stresses that good restructuring practices require preparation as early as possible and starting as soon as the need to restructure is envisaged, making it possible to avoid or reduce to a minimum the economic, social, environmental and territorial impact;
25. Recalls that it is widely recognised that any restructuring operation should be explained and justified to stakeholders, including with respect to the choice of measures envisaged in relation to the objectives and any alternatives;
26. Reiterates that strong, comprehensive social dialogue at all levels based on mutual trust and shared responsibility is the best instrument with which to seek consensual solutions and common outlooks when predicting, preventing and managing restructuring processes; considers social dialogue at EU level to be crucial in safeguarding the interests of both European manufacturing companies and their employees;
27. Highlights, in the case of restructuring, the need to protect the interests of employees in terms of social security, quality employment, health and working conditions;
28. Reiterates the need for meaningful consultation of all concerned stakeholders, and demands that any restructuring operation be preceded by adequate and timely preparation, respecting the full and appropriate involvement of workers' representatives at all levels, with a view to preventing or alleviating the economic, social, environmental and local impact;
29. Considers that the impact of restructuring on dismissals should be dealt with as a priority, with a clear and transparent employment commitment by the company; urges companies to consider all relevant alternatives to redundancies and to engage in dialogue with internal and external stakeholders to try and involve them in finding a solution to the potential redundancies;
30. Calls in this context for the revision of Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies to include subcontractors in the information and consultation procedures and to ensure, as appropriate in cases where mass redundancies are triggered by companies still making profits, that their financial responsibility is engaged in order to mitigate the spill-over effects in the network;
31. Stresses that, in cases of redundancies, employers must respect anti-discrimination legislation, particularly as regards age discrimination, in selecting the employees targeted for redundancy and must make available to the employees concerned assistance and measures aimed at enhancing their employability and helping them to quickly re-enter the labour market with a quality job;

32. Considers that, without replacing any obligations on Member States or employers resulting from EU law, national laws or practices, the European Globalisation Adjustment Fund (EGF) may be used to provide financial support for quickly reintegrating workers made redundant into quality employment;
33. Calls for the development of a new model for the organisation of work in which work and income are shared;
34. Calls on the Commission to present this year, as it committed to do so in 2013, a full report on the application of the Quality Framework; recalls in this context its request to the Commission to submit, after consulting the relevant social partners, a proposal for a legal act on information and consultation of workers, anticipation and management of restructuring;
35. Stresses the need to develop more and better access to training, lifelong learning, fit-for-the-future vocational training and university education, with a strong emphasis on the STEM subjects, entrepreneurship support and an adequate social safety net, together with a second-chance policy; emphasises that workplace democratisation needs to be expanded and that workers should have an individual right to training;
36. Notes that the transition to a green economy has significant potential to create local jobs which cannot be relocated, and in areas which cannot be offshored; notes that there is strong evidence that the green transition will, on balance, have a positive impact on employment, reflecting the fact that sustainable economic activities, such as saving energy, are more labour-intensive than the activities they replace and could have the potential to enable regions to become more self-sufficient;
37. Believes it is crucial, in order to maximise the net job potential of the green economy, that we provide our existing workforce with proper opportunities to acquire the new skills needed for the circular economy and to cope with the transition towards more sustainable production processes and products; calls for a European training and education strategy supporting companies, research institutes and social partners in jointly investigating the skill needs for environmental sustainability;
38. Calls on the Commission and the Member States to promote the creation and development of cooperative enterprises, as it has been shown that they are more resilient during crises and less subject to job losses than the average enterprise, and to create quality jobs that do not delocalise production; calls on the EIB and the Commission to keep Parliament informed of the concrete measures taken so far to enhance access to funding for cooperatives and social enterprises;
39. Calls on the Commission and the Member States to promote, including in the framework of the European Fund for Strategic Investments, quality investments geared towards generating societal and economic benefits such as sustainable quality jobs, gender equality, quality education and innovation aimed at promoting the transition to a green economy and fighting energy poverty; calls on the Commission and the Member States to focus investment in areas with a positive labour market impact with the aim of creating sustainable quality jobs with full social and employment protection;

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40. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.