

## **MOTION FOR A RESOLUTION**

further to the Commission statement

pursuant to Rule 37(2) of the Rules of Procedure

by the following Members: Hughes, Napoletano, Tentin, Ghilardotti and Naïr

on behalf of the PSE Group

on restructuring of European industry, with special attention for the closure of Goodyear in Italy and the problems of ABB-Alstom

**B5-0124/2000**

**European Parliament resolution on restructuring of European industry, with special attention for the closure of Goodyear in Italy and the problems of ABB-Alstom**

*The European Parliament,*

- having regard to the 1989 Community Charter of the Fundamental Social Rights of Workers and the relevant provisions of the EC Treaty, in particular Article 136 thereof, which stipulates that the objectives of the Member States shall include the promotion of employment, improved living and working conditions, proper social protection and dialogue between management and labour with a view to lasting high employment and the combating of exclusion,
  - having regard to Directive 75/129/EC, as amended by Directive 92/56/EC, on the approximation of the laws of the Member States relating to collective redundancies,
  - having regard to Directive 94/45/EC on the establishment of a European Works Council,
  - having regard to the Commission proposal on a general framework for informing and consulting employees in the European Community,
  - having regard to the conclusions of the High-Level Group on the Economic and Social Implications of Industrial Change,
  - having regard to its earlier resolutions on the restructuring, transfer and closure of undertakings in the EU, in particular those on the Renault-Vilvoorde affair,
- A. whereas the management of the multinational Goodyear/Dunlop announced without warning that its only plant in Italy, at Cisterna di Latina, was to be closed, with the decision taking effect on 17 February 2000; whereas the closure will lead to the loss of 574 jobs at the plant itself and have a major impact on approximately 430 indirect jobs,
- B. whereas in particular the Cisterna di Latina plant has to date proved highly productive and profitable, owing not least to the professional, responsible attitude shown by its employees; whereas despite the lack of any investment by the company for more than ten years, in 1996 the plant came second in the group's cost competitiveness charts and first in its quality charts in Europe,
- C. whereas in 1997 300 young workers were made redundant and some of the production operations were relocated; whereas under a series of agreements the employees and trade unions agreed to increase productivity through the loss of further jobs at no cost to the company and to the detriment of health and safety at the workplace,

- D. whereas the company has chosen not to provide the plant's employees with any prior information on its decisions, or to consult or involve them in any way, but has simply presented them with a *fait accompli*; whereas, despite the tax relief offered by the Italian Government with a view to preventing the closure, the company has failed to take any account of the employees' willingness to help find alternative solutions which would obviate the need for the plant's closure and the resulting redundancies,
- E. whereas, overall, the Goodyear plant has received financial and other support from the State worth a total of ITL 166 billion, including tax relief for training schemes,
- F. whereas the company has not agreed to put the production site up for sale to a competitor, which would enable the jobs and skills to be kept in the area; whereas, furthermore, Goodyear/Dunlop intends to step up sales of its products in Italy,
- G. whereas the Commission gave its agreement in November 1999 to the merger between the ABB and Alstom Groups; whereas this merger created the new Group ABB-ALSTOM power, which is now the world leader in the field of energy production, and employs 58 000 workers (34 000 in Europe),
- H. whereas the European Works Council of Alstom was informed neither before nor after the merger,
- I. whereas following a number of restructuring and redundancy notices, issued separately in a range of geographic locations, the ABB-Alstom workers' representatives fear that they are seeing the first signs of a global restructuring plan which could lead to the loss of up to 12 000 jobs,
- J. whereas, in addition to causing job losses, decisions such as these on the restructuring, transfer and closure of undertakings very often undermine economic and social cohesion in the areas concerned and are increasingly leading to unease among employees and the public at large,
- K. whereas European competition policy cannot be considered separately from the European Union's other policy areas, for example social and employment policy,
1. Condemns the decision taken by the management of Goodyear/Dunlop to close its Italian plant without warning in accordance with an economic policy decision taken at group level, and thus to pursue a short-term profit goal out of keeping with a healthy industrial policy and to ignore the extremely serious economic and social damage this will cause in the area; expresses its support for the employees engaged in this fight to protect jobs in Italy and Europe;
  2. Welcomes the active role which the Italian Government has played to date and sincerely hopes that further action will be taken to avoid the closure (including the termination of

supply contracts) and secure the return of the funding provided should Goodyear/Dunlop keep to its decision; expresses the hope, furthermore, that a way of safeguarding the jobs and acquired rights of the employees will be found without delay;

3. Calls on the Italian and European institutions to undertake to ensure that the redundancy proceedings are suspended so that serious, substantive discussions may be held;
4. Urges the management of Goodyear/Dunlop to reconsider its unacceptable stance on the issue of selling the plant to a competitor, with a view *inter alia* to safeguarding skills and jobs;
5. Believes that the Commission, when authorising the merger between ABB and Alstom, did not evaluate the possible social consequences of this operation, thus not respecting Article 127(2) of the EC Treaty, according to which “the objective of a high level of employment shall be taken into consideration in the formulation and implementation of Community policies and activities”;
6. Asks the Commission not to authorise mergers and other similar operations if the European social legislation, with particular reference to the information and consultation of employees, is not respected by the companies involved;
7. Asks the Commission to take concrete steps in order to guarantee full compliance with Directive 94/45/EC by the new ABB-Alstom Group;
8. Considers that all subsidies from public funds should be made conditional on long-term agreements concluded with the management of individual undertakings (in particular multinationals) on jobs, local development and investment in the modernisation of production facilities;
9. Calls on the Commission to draw up without delay an evaluation of the application of the directive on collective redundancies and company closures and to make proposals for effective sanctions (in particular financial penalties) in the event of non-observance, together with proposals for improvements to that directive aimed at ensuring more effective protection for jobs and employees;
10. Stresses that the Commission should step up its review of Directive 94/45/EC on the establishment of a European Works Council, *inter alia* with a view to tightening up the provisions on information and consultation so as to ensure that they take place at the planning stage, before any decisions are taken, and can therefore be effective and have a chance of exerting some influence; expresses the hope, furthermore, that new provisions will be added to the directive with a view to speeding up the establishment of such works councils and enabling them to operate in an independent manner;
11. Calls on the Council to adopt at the earliest opportunity a common position on the proposal on a general framework for informing and consulting employees in the

European Community; calls on the Commission and Council to take the utmost account of the amendments adopted by Parliament at first reading; expects in particular any failure to comply with the principles and procedures deriving from the transposition of the directive to be subject to penalties including the annulment of the decision in question;

12. Calls on the Member States to promote and step up dialogue between management and labour and cooperation at company and regional levels with a view to establishing arrangements for prior consultation and dialogue on decisions with major economic and social implications and to putting in place effective measures to protect trade union representatives;
13. Considers that the adoption of harmonised social legislation within the European Union, aimed in particular at preventing 'economic' redundancies and social dumping by undertakings based in the EU, is now of vital importance to the cohesion of the European Union, and calls on the Commission and Council to propose ways of taking European social policy a stage further;
14. Instructs its President to forward this resolution to the Commission, the Council, the governments and parliaments of the Member States, employers' associations and trade unions and the employees and management of the Goodyear/Dunlop plant at Cisterna di Latina and of the ABB-Alstom Group.