

# EUROPEAN PARLIAMENT

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*Session document*

14 February 2000

B5-0134/2000

## **MOTION FOR A RESOLUTION**

further to the Commission statement

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

by the following Members: Ainardi, Cossutta, Bertinotti, Figueiredo, Kaufmann, Jové Peres, Alavanos, Theonas and Gerhard Schmid

on behalf of the GUE/NGL Group

on company restructuring in Europe

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**B5-0134/2000****Resolution on company restructuring in Europe**

*The European Parliament,*

- having regard to its previous resolutions on company restructuring and relocation,
- mindful of the declared ambitions of the Portuguese Presidency, which sees the need to recreate the conditions for full employment tailored to a newly emerging society which is more open to the expectations of women and men in Europe,
- having regard to the priorities set out in the Communication from the Commission on the strategic objectives for the period 2000-2005 geared towards achieving full employment and giving a fresh boost to the economy,
- A. drawing attention to the fact that European Council meetings have reaffirmed that higher employment levels remain the priority objective for Europe,
- B. greatly concerned by the announcement by the management of Goodyear that it is to close its Cisterna di latina plant in Italy, with the loss of 600 jobs, and by the announcement that Valeo is to make 6 000 workers redundant,
- C. deeply shocked at the restructuring of the AAP group in the light of the merger of the ABB and Alstom groups, which could lead to 12 000 redundancies and is already resulting in thousands of layoffs in the Member States,
- D. indignant at the announcement by Moulinex that it is to relocate, as a result of which four plants in France are to close, with the loss of between 1 800 and 2 000 jobs,
- E. mindful of the threats by the management at Michelin to make 7 500 workers redundant,
- F. mindful of the growing rate of company mergers, closures, relocation and restructuring across Europe and the resultant loss of tens of thousands of jobs,
- G. whereas these job losses occur primarily in undertakings which have announced a growth in profits;
- H. whereas many of the groups engaged in restructuring, relocating or downsizing are receiving financial aid directly or indirectly from the Member States and the European Union,
- I. whereas it is all too often the case that decisions are taken without properly consulting or negotiating with trade unions or with national or European works councils and thus constitute a breach of the Social Charter, of the social protocol, of Directive

75/129/EEC, as amended by Directive 92/56/EEC, and Directive 98/59/EC on the approximation of the laws of the Member States relating to collective redundancies, of Directive 94/45/EC on the establishment of a European Works Council, and of the OECD and UN codes of conduct,

- J. whereas the various decisions on restructuring and redundancies are taken by multinational companies; whereas they not only lead to job losses in the undertakings concerned, but also have a disastrous impact on the economy and life of a region; whereas they cause difficulties for, and force redundancies on, subcontractors and generate a climate of growing insecurity amongst workers and the population at large,
1. Reaffirms its support for the action taken by all workers, trade union organisations or works councils to oppose relocation, restructuring and/or redundancies;
  2. Flatly condemns these management strategies, which use financial or speculative profitability as their sole criterion in destroying jobs;
  3. Calls on the management of the companies concerned to reconsider their decision and to enter into talks with trade union organisations on alternative trade union and works council proposals;
  4. Calls on the Commission and Member States to tie Community and national aid for undertakings to long-term commitments vis-à-vis employment and local and regional development, and to see to it that the enforcement of these provisions, subject to regular monitoring for which the Commission, the national, regional and local authorities and the social partners should be jointly responsible, is accompanied by penalties for the failure to honour those commitments;
  5. Considers it a matter of urgency that those undertakings engaged in downsizing or in restructuring which leads to job losses should repay all the Community or national aid they have received;
  6. Asks the Member States in which restructuring and layoffs are taking place to introduce a moratorium suspending the decisions announced and oppose the planned job losses;
  7. Calls on Member States to strengthen redundancy-related social legislation by prohibiting any downsizing by undertakings or groups which are making a profit and by granting courts the opportunity to consider the economic grounds for downsizing cited by the employer and ascertain whether they warrant the planned job losses, above all by studying any alternatives proposed by the trade unions or works councils;
  8. Requests that those undertakings which engage in relocation and employ practices akin to social dumping be denied aid to begin operating in the European Union;

9. Asks the Commission to conduct a study assessing the overall impact of relocation and of mergers in the European Union and to report on its findings to Parliament;
10. Calls on the Commission to propose measures designed to prevent relocation and foster cooperation across sectors and regions within the European Union and with third countries;
11. Calls on the Commission:
  - to take steps to ensure that Directive 94/45/EC on European works councils is implemented in all the undertakings concerned;
  - to move swiftly to propose improvements to the Directive, primarily with a view to:
    - . strengthening workers' rights, specifying in particular that they must be informed and consulted before a decision is taken; and
    - . broadening the powers and operational base of European works councils, thus giving them a key role in the company decision-making process which extends as far as the right to suspend layoffs;
  - to conduct an assessment of the implementation of the directive on collective redundancies with a view to strengthening it;
  - to adopt a recommendation that the Member States begin moves towards reducing working hours; and
  - to promote the inclusion of social clauses in international treaties;
12. Calls on the Commission to adopt criteria other than competition, such as factual information for workers, a study of the impact of mergers on employment, consumers, cultural diversity and social cohesion, and to see to it that they feature prominently in the decisions taken;
13. Instructs its President to forward this resolution to the Commission, the Council, the governments and parliaments of the Member States and the social partners.