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MOTION FOR A RESOLUTION

further to the Commission statement

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

by Jean Lambert

on behalf of the Verts/ALE Group

on closure of undertakings after receiving EU financial aid

European Parliament resolution on closure of undertakings after receiving EU financial aid

The European Parliament,

- having regard to the Charter of the Fundamental Social Rights of Workers of 1989 and the action programme relating to it,
 - having regard to Directive 75/129/EEC,¹ as amended by Directive 92/56/EEC,² on the approximation of the laws of the Member States relating to collective redundancies,
 - having regard to Directive 94/45/EC³ on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees,
 - having regard to its resolution of 12 March 1997 on the closure of the Renault plant in Vilvoorde and on restructuring in general,
 - having regard to the closure of the C & J Clark shoe manufacturing plant in the region of Aveiro, Portugal, in January 2003,
 - whereas the traditional leather and tanning industry is currently undergoing a restructuring process,
 - having regard to the sometimes unfair trade practices applied in non-EU countries in this sector,
- A. whereas restructuring relocation affects not only the ‘traditional’ – i.e. labour-intensive – industries such as textile, shoe, or toy making, but also capital-intensive industries such as steel, ships, machine tools, aircraft and electronic equipment, as well as important areas of the service sector such as software development and financial, information and logistic services,
- B. whereas C & J Clark applied for public funding amounting to almost 1.7 million euro for its plant in Castelo de Paiva in the region of Aveiro (Portugal) and, as a result of reorganisation, has made 1 056 workers redundant in the past two years in its two plants in Arouca and Castelo de Paiva in the same region; whereas, also, this company had a contractual agreement with the local authorities to maintain its production in the plant in Castelo de Paiva until at least 2007,
- C. whereas as a result of the shutdown of C & J Clark, 1 056 people lost their jobs and huge

¹ OJ L 048, 22/2/1975, p. 29.

² OJ L 041, 18/2/1993, p. 50.

³ OJ L 254, 30/9/1994, p. 64.

damage was caused to the economic development of the region, and whereas the company shut down a plant in the same region two years ago and has operated many closures elsewhere in the EU,

1. Considers that aid from public funds should be linked to long-term agreements by the management of a company in matters of employment and local development;
2. Calls on the Commission to draw up a code of conduct in order to avoid subsidised company transfers where jobs are shifted from one EU country to another and relocation of companies from the EU to the candidate countries with the sole purpose of obtaining financial aid from the EU and using the cheaper work force in those countries;
3. Asks the Commission, as well as the Member States, to withdraw subsidies from aid programmes and to claim reimbursement of these subsidies from companies which do not respect their obligations;
4. Calls on the Commission to establish whether the C & J Clark plant has complied with the provisions of Directives 94/45/EC and 75/129/EEC on the approximation of the laws of the Member States relating to collective redundancies;
5. Expects the Commission, when it grants aid under the Structural Funds, to ensure that that aid is dependent on guarantees of long-term employment;
6. Recalls that the industrial sector itself should be primarily responsible for its own management, in a way which respects the social rights of its employees;
7. Considers that firms in sectors threatened by global competition need to collaborate, with assistance from Member States and the Commission, in developing world best practice technologies that will reduce costs and improve customer value;
8. Emphasises that investment in research and development, with the engagement of EU funds through the Sixth Framework Programme, can be used to develop the new materials, designs and processes that can reconfigure traditional industrial sectors;
9. Recalls that in other cases where collective redundancies appeared to offer the only solution to a company crisis, negotiations with the employees helped to develop alternative plans which allowed jobs to be safeguarded;
10. Calls, therefore, on the management of the company, together with its workers' representatives and the local authorities, to look into possible alternatives;
11. Expects the management, in consultation with the workers' representatives, to submit a social plan to ensure that the redundancies are handled in a socially responsible way, and expects this plan to be implemented;
12. Expresses its sympathy with all workers, and in particular those who have been made redundant or are threatened with redundancy, as well as those from subcontracting firms who, following the decision by C & J Clark's management, are threatened with redundancy;

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, in particular those at C & J Clark.