



Plenary sitting

B8-0152/2018

9.3.2018

MOTION FOR A RESOLUTION

to wind up the debate on the statement by the Commission

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

on corporate social responsibility
(2018/2633(RSP))

**Mario Borghezio, Mara Bizzotto, Angelo Ciocca, Lorenzo Fontana,
Matteo Salvini, Marco Zanni**
on behalf of the ENF Group

**European Parliament resolution on corporate social responsibility
(2018/2633(RSP))**

The European Parliament,

- having regard to the Commission declaration of 14 March 2018 on corporate social responsibility,
- having regard to Rule 123(2) of its Rules of Procedure,
- A. whereas announcements of major industrial restructuring plans, such as that made recently by Embraco, deal a hard blow to the workers affected, their families and the territories of which they are part;
- B. whereas Embraco's plans would seriously jeopardise the jobs of almost 500 workers at its plant in Italy, which is located in Riva presso Chieri, Piedmont;
- C. whereas this case is only the latest in a long series of mass redundancies stemming from plant relocations, but whereas this relocation is particularly serious, in that it is being carried out to the detriment of jobs and production in a firm which is in good health and which employs highly skilled workers;
- D. whereas the multinational which owns Embraco plans to transfer production to another Member State solely for tax and wage-cost reasons, given that a company which relocates to Slovakia enjoys a tax rate of 21%, 0% tax on property transactions, very low labour costs, a 35% tax rebate and payments of up to EUR 30 000 for each employee recruited;
- E. whereas in a transnational environment such as the EU internal market, characterised by national systems which differ greatly as regards employment rules, economic conditions and legal provisions in force, firms compete primarily on the basis of labour costs, giving rise to the dangerous phenomena of labour shopping and social dumping and, in turn, unregulated plant relocations carried out in order to replace domestic workers with relatively cheaper workers from other Member States, in particular in eastern Europe;
- F. whereas plant relocations do not only affect so-called traditional industries, i.e. highly labour-intensive sectors such as textiles and clothing, footwear and woodworking, but also highly capital-intensive sectors, such as steel, engineering, shipbuilding, aeronautics and electronic equipment, not forgetting important services sectors, such as IT programme development and financial or logistical services;
- G. whereas unacceptable social dumping practices such as these favour Member States with lower employment costs and very low tax rates;
- H. whereas today the EU and the political decisions underpinning the development of the internal market are chiefly to blame for the poverty and inequality affecting the Member States, having made it possible for market actors and, in particular, large multinationals to

exploit the differences in labour costs and tax rates between Member States with a view to securing, by means of plant relocations, competitive advantages and profits at the expense of citizens, workers and territories;

- I. whereas when social and employment emergencies such as the Embraco case arise, the austerity policies imposed by the EU and its Treaties, which have already led to significant cuts in public spending and undermined the ability of States to deal with social problems, will prevent the implementation of effective national investment and development strategies which could provide a way of meeting the needs of the workers involved and their families, thereby exacerbating the problems of poverty and social exclusion;
 - J. whereas it is clearly counter-productive for the EU to allocate funding to a country such as Slovakia in order to reduce economic and social disparities, whilst at the same time permitting that Member State to engage in investment-friendly practices which are not consistent with EU rules;
1. Expresses its full solidarity with and support for all Embraco's employees in Riva presso Chieri, their families and the workers in other firms which may be affected by this decision;
 2. Calls for all appropriate measures to be taken to help and all appropriate support provided for these workers, their families and all the stakeholders who may be affected by this decision;
 3. Takes the view that the Embraco case provides irrefutable evidence of the dysfunctional nature of the European internal market and of the devastating effects of an ill thought-out enlargement policy, in particular to the east, which failed to consider the ruinous consequences for fair and lawful competition of the accession to the EU of low-tax countries;
 4. Calls for the implementation as a matter of urgency of a policy to protect workers affected by plant relocations, in order to provide them with the help they need and the retraining which will make it easier for them to find new jobs;
 5. Emphasises the responsibility borne by the EU and its policies in this matter, and regards the EU's response to plant relocations as inadequate;
 6. Emphasises the right of every Member State to take measures of any kind, including protectionist measures, to safeguard its own economy, its own workers and its own territories against plant relocations;
 7. Emphasises that every Member State must be able to take the measures needed to encourage firms which have relocated to return, including in the form of large-scale national public investment plans;
 8. Calls for firms which receive public funding to be encouraged to work with organisations representing workers and regional and local authorities to develop business models consistent with the precepts of corporate social responsibility;

9. Emphasises the importance of penalising firms which, after pocketing national or EU financial aid intended to boost economic growth in a given territory, take the unwarranted decision to move their production abroad; calls, therefore, for firms which act in this way to be required to pay back the aid received and be excluded from future financial support schemes;
10. Calls on the Commission to carry out the checks required to determine whether the owner of Embarco has used funds made available by the EU improperly, specifically in order to fund the relocation of the firm to another Member State;
11. Calls on the Commission to conduct an investigation to determine whether intra-European plant relocations carried out not for valid economic and industrial reasons, but solely in order to reduce a company's wage and tax bills, are consistent with the Treaties;
12. Instructs its President to forward this resolution to the Council, the Commission (in particular the Vice-President and Commissioner for Jobs, Growth, Investment and Competitiveness, Jyrki Katainen, the Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne Thyssen, the Commissioner for the Internal Market, Industry, Entrepreneurship and SMEs, Elżbieta Bieńkowska, and the Commissioner for Competition, Margrethe Vestager), the Member States, the Italian Government and the Brazilian Government.