

# EUROPEAN PARLIAMENT

26 October 1999

B5-0185/RC1

B5-0186/RC1

B5-0196/RC1

B5-0199/RC1

## JOINT MOTION FOR A RESOLUTION

pursuant to Rule 37(4) of the Rules of Procedure

by the following Members:

Mr Pronk and Mr Menrad, on behalf of the PPE Group

Mr Hughes, on behalf of the PSE Group

Mrs Plooijs-van Gorsel, on behalf of the ELDR Group

Mrs Flautre and Mrs Auroi, on behalf of the Verts/ALE Group

replacing the motions by the following groups:

- ELDR (B5-0185/1999)
- Verts/ALE (B5-0186/1999)
- PPE (B5-0196/1999)
- PSE (B5-0199/1999)

on the restructuring of firms in the face of globalisation

The European Parliament,

- having regard to the 1998-2000 social action programme,
- having regard to the interim report by the high-level group of experts on the economic and social implications of industrial changes (Gyllenhammar Group),
- having regard to the ILO and UN codes of conduct,
- having regard to its resolution of 13 November 1996 on industrial restructuring and relocation in the European Union<sup>1</sup>,

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<sup>1</sup> OJ C 362, 2.12.1996, p. 147  
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PE 168.526/RC1

168.527/RC1

168.540/RC1

168.545/RC1

Or. pa

- having regard to its resolution of 14 December 1995 on a communication from the Commission entitled: ‘A level playing field for direct investment world-wide’<sup>2</sup>,
- A. whereas, in the past, a number of companies were closed down without prior consultation of the employees concerned, constituting an infringement of the Social Charter, the Social Protocol, Directive 75/129/EEC, amended by Directive 92/56/EEC, on the approximation of the laws of the Member States relating to collective redundancies, Directive 94/45/EC concerning the creation of a European Works Council and the OECD and UN Codes of Conduct,
- B. whereas, if the European Union is to enhance its competitiveness and hence rise to the challenge of global competition and gain an edge over its rivals, it must exploit the wide range of talents, the varied fund of expertise and the competitive advantage existing in the Member States,
- C. whereas, although industrial relocation and restructuring are not new developments, their scale and the bases on which they are occurring have undergone a decisive change in the wake of economic globalisation,
- D. whereas the relocation of production forms part of an overall process of economic rationalisation and cost-cutting, industrial modernisation and continued development, adjustment and restructuring,
- E. whereas the factors that motivate firms to relocate are manifold, for example, seeking access to emerging markets, circumvention of local content clauses, wage and subsidy competition, ‘free’ infrastructure opportunities and tax avoidance,
- F. whereas company relocation can be associated with a range of socio-economic problems in the regions, for example, increasing levels of long-term unemployment, skills mismatch, decline in purchasing power and the loss of key markets for local producers,
- G. whereas it is necessary to bring national taxation policies into line with a view to discouraging the transfer of capital and company relocations on the basis of tax incentives alone,
- 1. Considers it urgent to shift the basis for international measures in the field of trade and investment from a relatively narrow focus on growth and the preservation of free trade and investment to the more complex goal of sustainable development, which means taking into account economic efficiency, macroeconomic stability, social justice and environmental sustainability;
- 2. Calls on the Commission to take the necessary measures to eliminate factors preventing all workers and citizens from taking full advantage of the redistribution of internal market

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<sup>2</sup> OJ C 17, 22.1.1996, p. 175  
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benefits, including the provisions to be adopted concerning the taxation of border workers and fiscal harmonisation in general;

3. Draws attention to the importance of creating European Works Councils to guarantee the transparency of relocation and restructuring decisions;
4. Calls on the Commission to seek the incorporation of social clauses in international agreements on the basis of the five ILO conventions classified as having priority;
5. Takes the view that public policy should seek to enhance the benefits of relocation and mitigate its potential drawbacks, taking due account of the complexity of industrial relocation;
6. Is of the opinion that any regulatory measures initiated at national or European level should enhance economic dynamism and not add misplaced social or economic requirements which could have the unintended effect of increasing, rather than decreasing, unemployment;
7. Takes the view, therefore, that public policy concerning industrial relocation should seek to achieve the following objectives: a high level of employment, social and economic cohesion, competitiveness of Community industry, sustainable development and fairer distribution of the benefits of free trade;
8. States that, left unattended, certain restructuring processes will not succeed in reconciling the Union's three strategic policy objectives: (i) structural adjustment (to raise the overall competitiveness of European firms in global markets), (ii) social cohesion (to ensure a fair distribution of the costs and benefits of relocation of economic activity) and (iii) protection of the environment and non-renewable resources (as a prerequisite for sustainable development throughout the Union);
9. Calls on the Commission to introduce stricter monitoring procedures with regard to the relocation of European Union industry and consider establishing a permanent observatory on these issues;
10. Urges the Commission to take energetic measures to promote investment in training and specialist skills so as to ensure the necessary adaptability in response to relocations;
11. Is of the opinion that large companies which seek to limit employment for specific reasons should do so within the framework of a medium- or long-term corporate industrial strategy that justifies the decision and provides for appropriate social measures;
12. Calls for worker representatives to be included in consultations concerning restructuring and in the preparation and, where appropriate, the organisation thereof;

13. Points out that, at European level, consultation with worker representatives is provided for only in the case of collective redundancies and therefore calls on the Council to adopt the directive concerning the information and consultation of workers;
14. Calls on the Commission to draw up urgently an evaluation of the application of the directive on collective redundancies and company closures and to make proposals for effective sanctions, in the event of non-observance, and to propose improvements to the directive to make it more effective in protecting jobs and defending employees; also calls on the Commission so to reform Community legislation and its directives that the issues referred to in this resolution are taken into consideration;
15. Recalls that Council Directive 98/59/EC of 20 July 1998 concerning the approximation of the laws of the Member States relating to collective redundancies and Council Directive 94/45/EC of September 1994 in regard to the creation of works councils or procedures for informing and consulting workers in Community-wide enterprises or groups of enterprises must be respected;
16. Insists that the Commission should expedite its review of Directive 94/45/EC on the establishment of a European Works Council, in particular to strengthen information and consultation so that it takes place before decision-making, during the planning stage, so as to ensure that information and consultation are effective and that influence can be exercised; calls, furthermore, for the directive to be completed in order to speed up the rate of installation of these Works Councils and to give them the capacity to operate autonomously;
17. Instructs its President to forward this resolution to the Commission, the Council, the governments and parliaments of the Member States and the representatives of the two sides of industry, especially the Michelin company.