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- having regard to Rule 67 of its Rules of Procedure,
  - having regard to the report of the Committee on Culture, Youth, Education, the Media and sport and the opinions of the Committee on Budgets and the Committee on Industry, External Trade, Research and Energy (A5-0024/1999);
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
  3. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
  4. Calls for the conciliation procedure to be initiated should the Council intend to depart from the text approved by Parliament;
  5. Asks to be consulted again if the Council intends to amend the Commission proposal substantially;
  6. Instructs its President to forward its position to the Council and Commission.

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## 8. Restructuring of firms

**B5-0185, 0186, 0196 and 0199/1999**

### **European Parliament resolution 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>,
  - 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 75/0129/EEC, amended by Directive 92/0056/EEC, and subsequently Directive 98/0059/EC, on the approximation of the laws of the Member States relating to collective redundancies, Directive 94/0045/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,

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<sup>(1)</sup> OJ C 362, 2.12.1996, p. 147.

<sup>(2)</sup> OJ C 17, 22.1.1996, p. 175.

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- 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 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,
  - E. 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,
  - F. 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, macro-economic 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 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 reducing, 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 strict 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;

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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 98/0059/EC of 20 July 1998 concerning the approximation of the laws of the Member States relating to collective redundancies and Council Directive 94/0045/EC of 22 September 1994 concerning the creation of works councils or procedures for informing and consulting workers in Community-scale undertakings or groups of undertakings must be respected;
16. Insists that the Commission should expedite its review of Directive 94/0045/EC, 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.

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## 9. Nuclear test ban treaty

**B5-0198, 0200, 0202 and 0203/1999**

### **European Parliament resolution on the US Senate's rejection of the Comprehensive Nuclear Test Ban Treaty (CTBT)**

*The European Parliament,*

- having regard to the final declaration unanimously adopted at the CTB Conference in Vienna on 8 October 1999,
- having regard to the decision of the US Senate on 13 October 1999 to reject the CTBT,
- having regard to the declarations made by the UN Secretary-General, by the Tampere European Council and by various heads of state and government, including the US President, concerning this decision of the US Senate,
- having regard to its earlier resolutions on nuclear disarmament, nuclear proliferation and nuclear testing, including its resolution of 19 November 1998 on the New Agenda Coalition on Nuclear Disarmament<sup>(1)</sup>,

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<sup>(1)</sup> OJ C 379, 7.12.1998, p. 261