WRITTEN QUESTION E-1647/01  
by Ilda Figueiredo (GUE/NGL) to the Commission  
(12 June 2001)

Subject: Works councils and redundancies

In Portugal, as in other countries of the European Union, there have been a series of closures and relocations of multinationals to eastern Europe or Asia, as a result of which thousands of workers have been made redundant, jobs have become increasingly precarious and the economic and social cost has been high, particularly for the areas directly affected, undermining economic and social cohesion.

Of the most recent cases in Portugal, mention might be made of the plans by the British group Marks & Spencer to close their stores, the proposals by J.C. Clark to make hundreds of workers redundant, the closures of the French-owned firm Moda Real and of Vesticom, belonging to the British group Coats and Clark, along with various instances of multinationals in the electrical sector which are set to cut back their activities in Portugal, such as Delphy and Indelma, as well as pressure exerted by Siemens on Tyco for workers to rescind their contracts.

In a number of cases, these multinationals have received Community and national funding but have continued to act exclusively in line with their own interests in terms of profits. This calls for urgent measures to prevent the situation from continuing.

Can the Commission say what urgent measures it will take to protect workers in these companies?

Answer given by Mrs Diamantopoulou on behalf of the Commission  
(3 September 2001)

The Commission attaches the greatest importance to the social consequences of corporate restructuring.


As these Directives have been transposed into national law, it is up to the national administrative or judicial authorities to decide if any infringements have taken place in the cases raised by the Honourable Member.

The Commission has repeatedly stressed the need to ensure that corporate restructuring is done in a socially acceptable way and, as a consequence, has underlined the urgency of strengthening employees’ information and consultation rights, particularly in the context of the spate of restructuring and the numerous mergers and take-overs we are faced with on an almost daily basis.

This was the central preoccupation of the Commission in the preparation of its proposal for a Council Directive establishing a general framework for informing and consulting employees in the European Community (4) on which political agreement on a common position was reached by the Council on 11 June 2001. The aim of the Directive is to improve the information and consultation rights of workers employed in individual companies as well as to fill in the gaps in provisions for employee information and consultation at national and Community levels. The directive has to be seen as one concrete answer at Community level to the concerns of European citizens resulting from the insecurity emerging from successive waves of mass operations of corporate restructuring, mergers, acquisitions, etc, normally accompanied by job-losses.
This Directive once finally adopted by the Council and the Parliament and implemented in the Member States will afford to employees in companies of at least 50 workers (even if they are subsidiaries of a multinational group) a number of basic rights: the right to information about recent and upcoming developments in company activity, about the company's economic and financial situation, the right to be informed and consulted on employment issues and on decisions likely to lead to substantial changes in work organisation as well as the right to know how the company proposes to handle those changes.

Moreover, the Commission adopted on 18 July 2001 a Green Paper on corporate social responsibility underlining that restructuring in a socially responsible manner means to balance the interests and concerns of all the stakeholders who are affected by the changes and decisions.

In its Social Policy Agenda (4), the Commission proposed the creation of an observatory on change to be developed in the Dublin Foundation. The proposal was endorsed by the Stockholm European Council stating that such an observatory (European Monitoring Centre on Change (EMCC)) should be set up as soon as possible. The first meeting of the Steering Committee of the EMCC took place on 6 June 2001 and there will be a launch conference on 23 October 2001.

In conclusion, Europe must face industrial restructuring — which can contribute to increased competitiveness and economic growth — and its social consequences by combining innovation with social cohesion and improving its capacity to manage change. The Commission takes a comprehensive approach as outlined above through improving our capacity to anticipate and manage change through the Dublin Observatory; by creating legal mechanisms to ensure adequate protection of workers in situations of industrial restructuring; and by developing corporate social responsibility.

(4) COM(98) 612 final.

(2002/C 81 E/058) WRITTEN QUESTION E-1656/01
by Raimon Obiols i Germà (PSE) to the Council
(12 June 2001)

Subject: Harmful tax competition

The OECD has been working for some years now on the preparation of an international code to combat harmful tax competition, in a climate of growing consensus on the need to abolish tax havens, large-scale tax avoidance and money laundering. In this connection, in June 2000 a body linked to the OECD, the International Financial Action Group, called on over thirty countries to clarify their financial systems and published a list of fifteen especially ‘uncooperative’ countries. This initiative was supported by the US Administration.

In May 2001 the new Treasury Secretary of the Bush Administration declared that this stance on tax havens was not in line with the new US Administration’s ‘tax and economic priorities’, adding unequivocally that ‘the United States does not support efforts to dictate to any country what its own tax rates or tax system should be, and will not participate in any initiative to harmonise world tax systems’.

These declarations have, obviously, given rise to concern in large parts of the international community. There is widespread indignation existing at the fact that organised crime can, as things stand, finance itself unpunished at international level, coupled with anxiety that the new US Administration is, as it seems, rejecting the idea of cooperation in any initiative for global governance.