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Debates

Tuesday, 14 March 2006 - Strasbourg

OJ edition

▶ 6. Restructuring and employment (debate)



▶ President. The next item is the report ([A6-0031/2006](#)) by Jean Louis Cottigny, on behalf of the Committee on Employment and Social Affairs, on restructuring and employment ([2005/2188\(INI\)](#)).



▶ Jean Louis Cottigny (PSE), rapporteur. – (FR) Mr President, Commissioner, ladies and gentlemen, first of all I would like to thank my fellow Members for entrusting me with this report.

One of the methods I used in preparing this report was to listen. I met all of the social partners, employees and employers, I went to meet the Economic and Social Committee and the Committee of the Regions and I had a meeting with Commissioner Špidla and the Commission's partners.

We also carried out a great deal of consultation with the shadow rapporteurs and I would like to take this opportunity to thank Mrs Bachelot, Mrs McDonald, Mrs Schroedter and Mr Beaupuy for their willingness to compromise and for the quality of their work.

When we talk about restructuring, there is always a certain impression that people are surprised, and that it is a new phenomenon. In fact, it is as old as the hills and completely unavoidable. Society changes, moves on, modernises. It is quite normal for its economic activity to follow the same evolutionary curve.

The technical progress made by humans has been resulting in restructuring for centuries. I will give you

an example that I am sure will not offend anybody here: in the transition from hunting and gathering to agriculture, our ancestors experienced a great deal of restructuring. Having said that, it is true that the acceleration of progress and today's global market have given these phenomena a new face.

Each new decision we take may result in restructuring. That is why I would like, if I may, to congratulate the Commission on having recognised, in its communication, that, since the EU is sometimes the cause for restructuring, such as in the textiles sector, it needs to bear its share of the responsibility by supporting it to the best of its ability.

As you will have noticed, I have attempted throughout my report to stress the fact that restructuring is necessary, because in my view it ensures that our businesses remain economically competitive and thus safeguards jobs. However, in examining this issue, we cannot ignore restructuring based on false pretexts, which is in fact predicated on the hunt for an immediate profit. It is quite justifiable to condemn such behaviour as immoral, because it is absolutely unacceptable in today's Europe for a father with a family to support to find the factory gates locked on Monday morning, everything having been cleared out over the weekend.

The role of our institutions, and of the social partners, is to intervene as early as possible, so as to plan for restructuring better and to soften the blow in terms of the social cost. This is because restructuring, whether or not it is justified, often leaves people by the wayside.

Restructuring is not a phenomenon that affects any Member State in particular. We must not heed the siren's call that tries to set us in opposition to each other whenever we discuss employment in this Chamber. There are not two blocks with the old Member States on one side and the new ones on the other. No, there are 450 million Europeans from Tallinn to Lisbon, any of whom could suddenly find themselves in this situation.

In my report, I have tried to define three spheres of action. First of all, there is a sphere of action to support what we might call good corporate citizens, by strengthening the tools for analysing the phenomenon, in order to prevent it in advance, increasing aid to small and medium-sized enterprises, encouraging continuing vocational training, which is a right for employees and an undeniable asset for businesses, reforming State aid to support growth and, in particular, setting up a globalisation adjustment fund.

Secondly, there is a sphere of action to punish the 'gangster' companies, if I may call them that – they are

certainly very much in the minority, but they are the ones we talk about the most. This type of action involves better monitoring of the use of the European funds in order to prevent subsidy tourism, challenging certain instances of restructuring with doubtful motives, and respecting the Community legal acquis and its enforcement.

Thirdly, there is a sphere of action to support those primarily affected by the phenomenon of restructuring: the workers. This involves setting up permanent retraining units to help people to find new positions as soon as possible after losing their jobs. It involves strengthening the role of the social partners, who are our greatest asset in dealing with these phenomena, and that is why I would ask you all once again to consider reviewing the European Works Councils directive. It also involves encouraging employees to become shareholders in their companies and setting up a one-stop shop to give all EU citizens equal access to care.

To conclude, I think that, alongside the social partners and beyond any party political affiliations, we can help to provide support for restructuring in order to win the employment battle. We need to bear this in mind at a time when, from one minute to the next, it is possible for a decision taken by a board of directors on the other side of the world to completely destroy, here on our territory, the fruit of decades of work. This matter gives us the opportunity to get involved in the lives of our citizens, because that is what this is all about, behind all of our technical circumlocutions: men and women who just want to be happy. In the spirit of the founding fathers who created a Europe based on peace, it is up to us today to contribute to a Europe based on social peace.

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IN THE CHAIR: MR TRAKATELLIS
Vice-President

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▶ Vladimír Špidla, Member of the Commission. (CS) Mr President, ladies and gentlemen, restructuring is essential, as it will allow the economy to develop, shedding the less productive activities and becoming stronger in key areas. It is, however, usually the case that the new jobs are not the same as the jobs that have been lost. The greatest number will be in services and in the most skilled professions. Industrial and less skilled jobs will disappear. This will involve social costs, and it is therefore essential to anticipate restructuring and to ensure that accompanying measures are in place, which is the shared responsibility of public authorities, firms and social partners. The communication on restructuring of 31 March 2005 was drafted precisely with this in mind. The Commission is grateful to Mr Cottigny and to all of the Members

who contributed to the drafting of the report, which in principle supports the general consensus that has emerged on addressing the issue of restructuring.

The Commission is pleased that Parliament supports the provision of significant funding from the European Union for the purposes of anticipating restructuring and ensuring that the accompanying measures are in place. Greater use must be made of the Structural Funds to support economic and social change in the regions and to retrain the workers most affected by restructuring so as to help them secure new and better jobs. In addition to this, the Commission recently adopted a proposal to create a European Globalisation Adjustment Fund, which has already been put before you. The aim of this Fund is to ensure the necessary level of solidarity in the future between those who benefit from trade liberalisation and those who will lose their jobs as a result of globalisation.

The Commission notes a number of interesting points in Mr Cottigny's report, which it will pursue further. These include the idea of a European one-stop shop for restructuring, which I consider to be particularly interesting. As for improved monitoring of the way that Community funds are used, the Commission has proposed for the period 2007-2013 that Community funds tighten regulations on company relocations and broaden the responsibility for securing a return on investments. The Commission is also proposing that firms which infringe these regulations be obliged to return the aid they have received and that they be barred from receiving any aid in the future.

If we wish to pursue a positive and constructive approach to economic and social change, the involvement of the public authorities is essential, on European, national and regional levels. At the same time, restructuring must principally involve those who are carrying it out and who will have to live with its consequences, that is to say firms and employees. It is precisely for this reason that last year's communication focused also on the European social partners, calling on them to continue in the joint task of drawing up and implementing preventative and positive procedures on restructuring. The Commission has also called on the partners to find ways of strengthening the role of European works councils. The programme of work for future years, which has recently received the backing of the European partners, provides for continuing work on both of these issues. The Commission calls on the social partners to speed up the delivery of results in this area.

Ladies and gentlemen, restructuring must not become a synonym for social decline and the loss of economic substance. It can also contribute to economic and social progress, provided it has been anticipated in time so that firms are able to manage it rapidly and efficiently, and public authorities are able to contribute with appropriate accompanying measures. I am delighted to find this view expressed in

the introduction to the report from the European Parliament, and it must be our guide on the path to growth, social cohesion and higher standards of living.



► Roselyne Bachelot-Narquin, on behalf of the PPE-DE Group. – (FR) Mr President, ladies and gentlemen, restructuring brings two worlds together: the economic world, where restructuring is necessary in order to face up to the changes mandated by globalisation and customer expectations, and the social world, where it is often a source of suffering and anxiety for employees. This restructuring is taking on a whole new dimension with the emergence of new powers, resulting in a new aspect to work sharing, which will lead to Europe being forced to develop the service sector while giving up on being an agricultural and industrial power. We refuse to accept this prospect.

In this context, the Group of the European People's Party (Christian Democrats) and European Democrats refuses to demonise necessary restructuring, but feels that the European market needs to promote a regulatory framework to absorb the shocks of this globalisation. The internal market is not the cause for restructuring – it is the antidote to it.

Even so, this European model is also a humanist model, and we need to take into consideration the suffering caused to the people and the territories affected by this phenomenon. The question that arises is this: how can we encourage socially responsible restructuring? Mr Cottigny's report allows us to look at a number of approaches, to which our group contributed.

An initial approach involves reviewing the European Works Council directive and increasing the role of the social partners, following in-depth consultation with them: the rapporteur has proposed an amendment in this respect, which we support. Other approaches include access to expertise and the exchange of good practices, which is a relevant area for the open method of coordination; vocational training, with regard to which we are pleased that the support fund proposed by Mr Barroso supports retraining for the workers affected and is not devoted to risky salvage operations; and optimising the support for our solidarity policies from the ESF/ERDF structural funds, on condition, Commissioner, that they are not compromised by the delayed financial perspective. I will, of course, conclude by mentioning research and innovation.

I would like to end by thanking the rapporteur Mr Cottigny for his open-mindedness, which made it possible to reach a number of compromises and which should, barring disasters, allow our group to vote in favour of his report.



▸ Jan Andersson, on behalf of the PSE Group. – (SV) Mr President, I wish to begin by thanking the rapporteur for the transparent way in which he worked on this report and so succeeded in uniting the committee. The way he did this was excellent.

I also share the rapporteur's view that restructuring is nothing new. If I look at my own home town, I note that the big workplaces that existed when I was a child are no longer there. Completely new workplaces have grown up. Society has changed as a result of this process, and workplaces are now of a higher quality than they were when I was growing up. That development will continue. What is new is that the process is happening so much more quickly in today's globalised world, which is why we must have restructuring as an instrument.

It may be seen as either a threat or an opportunity, but now that we have chosen a path to go down and said that we are not to compete with India and China with their low wages and their particular working conditions but, instead, retain a high level of wages and good social conditions, restructuring must be an instrument used in the Lisbon process. The issue is, however, one of how, then, we are to implement the restructuring.

Firstly, we must have long-term planning. There are trends we need to be able to see. Moreover, we must act in time for, if we delay taking action, we may delay too long. Then, factories will simply have to close down. There will be no alternative. Our work to bring about change must take place in time.

Secondly, there must be participation. Both sides of industry, including employees, must be involved in the whole process so that, when the restructuring process takes place in the form of skills updating and such like, people are prepared.

Thirdly, experiences must be shared. I visited the Dublin Institute last weekend. There has been extensive analysis of successful restructuring processes, and there is a bank of information about them. I know, for example, that, following last year's closure, 75% of former Electrolux employees in Västervik have now already obtained new jobs. There has been cooperation between the company, both sides of industry and the local community with a view to creating new jobs.

Now that we are creating a new Globalisation Fund, let us not forget the old instruments: the Social Fund and skills updating, together with responsibility taken at national and regional levels. I am a supporter of

the Globalisation Fund if it is used to strengthen individuals and increase employment and does not preserve old structures. However, we must also use the old instruments, such as the Social Fund, to promote the updating of skills.



—  **▶ Jean Marie Beupuy, on behalf of the ALDE Group. – (FR) Mr President, ladies and gentlemen, in my opinion this report is pretty exemplary in many respects. I think the main reason for this is that the report we have before us sets out the problem well.**

Some of you, including the rapporteur himself, have pointed out that this is not a new problem – it has existed for millennia. I would just like to emphasise that these issues of adaptation – because restructuring is simply one aspect of the adaptation of businesses – are absolutely vital in order to be able to respond to the needs of the customer, which includes every one of us here.

I am not going to repeat the various points made by the rapporteur when he presented the subject. What I would like to say, because I think he sets a very good example, is that he has made some very pragmatic proposals, which I would divide into six categories. This has been emphasised by several people. The first point is the need to take action as early as possible. Also, I would remind my fellow Members, if they need reminding, that we do not hear anything about the vast majority of incidences of restructuring, precisely because the decision is taken in advance.

Secondly, we need the partners to be involved – the partners in the business, obviously, but also the regional and external partners.

My final point, which has already been raised, is support for workers. Nevertheless, I would emphasise one very specific aspect, that of tailored support for employees, because general responses are not the only option. A tailored response really is needed. Each employee must be able to get an answer, through information, help looking for a new job, and so on.

As for the companies themselves, we must, as you said, make a distinction between the fraudulent businesses – because there are some – and the most essential businesses, which need to be supported. Finally, there is support for disadvantaged regions.

Mr Cottigny, I would like to thank you for the way you worked. As Mrs Bachelot said on behalf of her group, I would say, on behalf of my group, that there is a good chance, a very good chance, that we will

support you.

In conclusion, Commissioner, I obviously hope that the Commission will listen to Parliament's proposals, but I also hope that, beyond our European institutions, the various players – in the Member States, in the regions and in the chambers of commerce – and the various professional players will take note of the letter and the spirit of this report, so that restructuring is not a death sentence but rather an opportunity for these businesses and these workers to bounce back.



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▶ Elisabeth Schroedter, on behalf of the Verts/ALE Group. – (DE) Mr President, It is indeed the case that the enterprises involved in restructuring always talk in terms of being pressured into it by something they compare to a force of nature suddenly overwhelming them, but I do not believe that they are right to do so.

Restructuring and modernisation are things that enterprises are constantly obliged to do; indeed, they are a matter of social duty in respect of their workers. They are responsible for the continuing development of their skills, and this is where I agree with the rapporteur: workers are entitled to training, whether basic, advanced, or in-service. It is of course possible for vocational development and the training of professionals to be undertaken by publicly-funded bodies, but it would be outrageous for businesses to take the line that this was actually an obligation incumbent on the public sector, and that it had to take over responsibility for it.

I concede that such restructuring or even relocations result in a great deal of unemployment in some regions, but I would remind those caught up in such situations of such instruments as the territorial pacts for employment that we – that is, this House together with the Commission – have put together. Studies testify to the fact that what made them really outstanding was that they involved all the local stakeholders. They are efficient; they were supported by European structural funds, and they were successful. It really does amaze me that the Commission is more reticent about its support for these territorial employment pacts and no longer has recourse to these options in the way it once did.

Let me just say something about the Globalisation Adjustment Fund. Our group, too, is in favour of such a fund, but participation in it must be restricted to those enterprises that actually do take upon themselves the social responsibility for ongoing training and development rather than passing it on to somebody else. That is the only way of preventing this fund being a merely token gesture. It is for that reason that the involvement of the public sector must be conditional on participation by all the stakeholders, including the

enterprises, in social planning.



▸ Ilda Figueiredo, on behalf of the GUE/NGL Group. – (PT) This report addresses one of the main problems currently facing the EU, one which has serious ramifications in terms of unemployment, economic and social inequality and which hampers the development and even leads to the abandonment of vast areas.

We feel it is essential that company restructuring should only take place when it is for the purpose of saving jobs and helping the business to develop, and never simply in order to increase profits at the expense of redundancies or for purely financial or speculative reasons, as is happening with increasing frequency.

We therefore believe that a strong regulation is needed to combat such restructuring, which leads to investment without jobs and to thousands of redundancies. There also needs to be effective public monitoring of how Community aid is used and granted to businesses. The new regulations must ensure that the granting of aid is contingent on the protection of jobs with rights and on regional development in the medium term. Otherwise, business will be barred from receiving any aid.

Consequently, we believe that the workers – through their representatives, namely the European Works Councils – should have the right to be involved at every stage of the process, which means having the right to vote, and therefore call for the directive on the European Works Councils to be reviewed.



▸ Derek Roland Clark, on behalf of the IND/DEM Group. – Mr President, I see that this afternoon we are to debate the European footwear sector. I use that as a restructuring example, since I live in Northampton, at one time the capital of British shoe-making. During the last 40 years the seven or eight big household names, the labour-intensive shoemakers in Northampton, have declined to barely one, while all the town's engineering firms have gone. At the same time, the town has doubled in size and there are twice as many jobseekers, but there has been no unemployment problem. The rate in Northampton is currently a little less than the UK average of 5.5%, which is the lowest in the EU – Sweden and Denmark apart.

So, how did we do it? How did we restructure? It was not done with EU schemes: this all began before the UK joined the then EC. Nor were EU funds involved. We did it by ourselves, by making our town attractive to the service sector. Barclaycard, for example, which is one of the biggest credit card

companies, has had its headquarters in the town for a very long time.

I know you do not like this self-help approach: it does not lend itself to EU interference, rules and regulations and the grand handing back of a country's own money via unelected regional assemblies and development agencies. Only yesterday Mr Schulz complained that the elected MEPs in this House did not have as much say as the Council and the unelected Commission.

So let us cancel Lisbon mark 2 and let national governments and local councils of Member States do the job they were democratically elected to do.



—  **Zdzisław Zbigniew Podkański**, on behalf of the UEN Group. – (PL) Mr President, it is only to be expected that enterprises need to adjust to the new conditions and challenges resulting from a global economy, increased competitiveness and social changes. Our role is to take appropriate action to ensure that such changes are aimed at increasing competitiveness whilst minimising the social cost.

As we consider new legal solutions at European level, we ought not to focus exclusively on the need to improve financial results and profitability. Our main concern must always be the good of the citizens. They are the people who elected us to represent their interests and promote their well being. The resources we have available should be directed mainly at the weakest regions, and most of the latter are located in the latest Member States to join the Union.

In conclusion, and referring back to yesterday's debate on relocation in the context of regional development, I venture to point out that many people, including Members of this House, were quick to forget the hopes awakened in the new Member States in the course of the pre-accession campaigns. There is also a tendency to forget the commitments made to those States. We need to remember that those are the countries where the situation is particularly difficult and unemployment is at its highest.



—  **Alessandro Battilocchio** (NI). – (IT) Mr President, ladies and gentlemen, I am speaking on behalf of the new Italian Socialist Party. Today in this Chamber we stand once again at a crossroads: Europe must choose whether to continue opening up the markets in blind observance of the natural laws of competition or, on the other hand, to decide to protect its workers from the risks connected with excessive liberalisation.

Once again, as a reformist, I believe that the right path is the middle way: preventing restructuring is an idle dream. What the EU can and must do is to hedge it about with incentives for small businesses, to make them as competitive as possible internationally, and disincentives against so-called subsidy tourism. An appropriate strategy should also be introduced to facilitate by all possible means the full, satisfactory integration of our human resources in order to combat unemployment and prevent a brain drain outside our borders.

In cases of inevitable restructuring, the EU also ought to provide all the support necessary to restrict dismissals and give fair protection to workers, with the help of the ad hoc funds that the rapporteur rightly called for.



—  Philip Bushill-Matthews (PPE-DE). – Mr President, I agree with the Commissioner when he said on opening this debate that restructuring is necessary so that activity which is no longer sufficiently productive can be cut back. The issue is how restructuring should be managed and who should do the managing. Again I agree with the Commissioner that this should be for the companies themselves, for the employers, and the workers directly involved.

This report was originally due to be voted on in the February part-session, but the major political groups quite reasonably agreed to delay this for a month, to give time to try to improve it. This extra time has certainly been necessary. Progress has been made in terms of some of the amendments now tabled. Indeed, my colleague Mrs Bachelot-Narquin has been very active in this regard and I thank her for that. But we should not only be adopting the positive amendments, we really should be deleting some of the original paragraphs entirely. Until we do, this report will primarily be about resisting change and promoting the power of the trade unions to deal with it. It should be about enabling change and promoting the power of the workers to cope with it.

It will be clear to the rapporteur that I still do not like his report. It needs not just improvement, it needs – may I say – restructuring. As he knows, I was one of those who voted against his report in committee, in part to help us table further amendments for this part-session, but I should say now that my fellow UK Conservatives, as well as certain other national delegations that I know of, reserve the right to vote against it in the plenary sitting tomorrow. Although it is a non-legislative report, it would be a pity to vote down a report on such an important subject. But it would still be better to vote it down than to give the wrong message that this Parliament is more concerned with trying to preserve the past than with helping employers and employees come to terms with the future.



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▶ Françoise Castex (PSE). – (FR) Mr President, Commissioner, ladies and gentlemen, following the Hutchinson report, which we debated yesterday evening, the Cottigny report sets out the debate on the restructuring and relocation of businesses.

I would like to thank the two rapporteurs for having raised these socio-economic problems, which create more anguish and social insecurity for our fellow citizens than almost anything else. It is fortunate that Parliament is debating these issues, because, Commissioner, the Commission must take steps as a matter of urgency. These issues set the European Union the challenge of the economic competitiveness of our companies and of job security for European employees. In the minds of European employees, relocation and restructuring are connected and practically synonymous, because they have the same effects: the same loss of their jobs after years of working in the same sector, sometimes even in the same company, and the same questioning of their value on the labour market. This need not be the case, because restructuring is sometimes a sign of progress, technical progress. Restructuring does not have the same economic causes as relocation, and the legislator needs to provide an appropriate solution to each problem.

I would like to focus on the issue of restructuring of companies caused by technical developments, which is actually the central point in Mr Cottigny's report. This issue sets the European Union the challenge of adapting to the increasingly rapid developments of our age of technical progress. It really sets us the challenge of anticipating those developments. It has been said that to govern means to foresee. Equally, to do business, to be at the leading edge of production and economic competition, also means to foresee. It is a matter not of adapting to progress but of anticipating it, of inventing it. In this respect, the responsibility rests solely with the companies – they must produce and they must help their employees to anticipate by providing them with continuing training. That is the issue raised by the Cottigny report, and I would ask you, Commissioner, ladies and gentlemen, to support these proposals.



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▶ Gabriele Zimmer (GUE/NGL). – (DE) Mr President, I am very grateful to Mr Cottigny for the very hard work he has done on this report. I do, however, doubt that the report's underlying goal – that of lessening the social impact of restructuring – is actually capable of being achieved.

Firstly, the European Union sets enhanced competitiveness in global markets as the goal of economic activity and hence also of restructuring, and that amounts to nothing other than an attempt to seek out and

find the weak areas outside the EU, to which the losers can be transported.

Secondly, if society really is to be able to alleviate the consequences of restructuring, the funds for those who lose out to globalisation would have to be so substantial that they would themselves reduce competitiveness. If, then, we in the EU are not to export our problems, we should say 'yes' to restructuring, but ask ourselves how it should work. What is needed is another way of managing things economically, another way in which society's goods can be produced, that really is founded upon social and global sustainability. The object of this must not be to beat our competitors at any cost, and we must not allow this to shape our thinking. That is the real challenge that we face.



—  **Georgios Karatzaferis (IND/DEM).** – (EL) Mr President, words are fine, but we need to move on to actions. We need to go and say everything that is heard here in this Chamber in your constituency in Thessalonika or in Macedonia or in Naoussa, which is a dead town: relocations have brought unemployment, they have brought poverty, they have brought social injustice and death. That is the truth.

IKEA opened in Athens and two and a half thousand small shops and handicrafts closed. How are they supposed to restructure? As you know, when big business arrives, small businesses drown. It is now a jungle; it is an ocean in which the big fish eats the small fish. Carrefour arrives with 20 000 square metres and all the small shops in the entire region close. So what are we to do there? What shall we do? How can we help? This is the reality. We have a major problem. We have unbridled capitalism, which invades life and buries the dreams of the weakest. Nothing is working today. We have approximately 20% unemployment in Macedonia, which was once the worksite of the whole of Europe. What are we to do there? How are we to save this world from want and poverty? Let us make a new army of nouveaux pauvres. That is the problem. That is where you need to intervene, that is where you need to help.



—  **Guntars Krasts (UEN).** – (LV) Mr President, the Commission's proposal on restructuring and employment contains the conclusion that policies aimed at blocking change and freezing economic structures can only defer the problem and thereby exacerbate the negative effects. Various measures concerning restructuring that are mentioned in Parliament's report, however, unfortunately go in precisely this direction and could make it difficult for businesses to adapt to changes in the markets.

The report's analysis of the situation and conclusions conflict with the measures proposed. For example, the report mentions the slow growth of the European Union's economy, the low competitiveness of

businesses and workforce mobility. Later in the report, however, it is suggested that restructuring should not be used to increase business profitability by reducing the numbers of workers. The report's proposal for a growth adjustment fund is yet another example of short-term thinking. The best way to preserve jobs is to create new jobs. The report ought also to emphasise this aspect. Thus, in the field of restructuring, policy ought first of all to be directed towards implementing those socio-economic models that are geared towards permanent change. The measures taken ought to foster the development of self-regulatory capacity in the Member States and the European Union as a whole. Only thus will it be possible to balance growth and high employment in the long-term too.



—  Jacek Protasiewicz (PPE-DE). – (PL) Mr President, much has been said in this House about the fact that nowadays economies are increasingly globalised and competitive. This is the way things are and entrepreneurs therefore need to implement modern management. A key feature of the latter is the ability to react in a flexible manner to changing market conditions, particularly with regard to new competitive challenges. Given the circumstances, it is not possible to manage enterprises effectively without ongoing cost analysis and a readiness to undertake necessary restructuring. It is important to keep in mind that the consequences of shying away from appropriate restructuring are always painful for both the entrepreneurs and the workers. We should keep this constantly in mind as we debate Mr Cottigny's report on restructuring and employment.

I am sure the quality of the document is much improved as a result of the work by the Committee on Employment and Social Affairs. Nevertheless, I am bound to say that in my opinion the text is still controversial, because it adopts an overly distrustful stance towards entrepreneurs restructuring their business or planning to do so. As a Member representing one of the countries that recently joined the European Union, I am particularly concerned about the proposals to impose penalties on companies transferring all or part of their activities to those parts of the Union where the production costs are lower. Entrepreneurs taking decisions of this nature are certainly not resorting to 'immoral or predatory tactics' – I quote from the document before us. In my view, precisely the opposite is the case. They are demonstrating sound management skills and taking responsibility for the company's future. They are therefore acting to promote the development of the Union's economy and increase its competitiveness. I would remind you that this is one of the fundamental aims of the Lisbon Strategy, so dear to all our hearts

Introducing elements of central planning into the European economy is not the right way to respond to the social consequences of restructuring either. This has already been proved unsuccessful and not just in post-Communist states. The only appropriate response is to improve qualifications, promote lifelong

learning amongst the workers and encourage worker mobility. I should like to send out a further appeal in that regard and call for the transitional arrangements for access to labour markets to be lifted at the earliest opportunity.



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▶ Emine Bozkurt (PSE). – (NL) Mr President, ladies and gentlemen, I would like to congratulate Mr Cottigny on his report. In my country, the Netherlands, restructuring and globalisation are weighty topics, and opinions differ as to how to deal with them. The Social-Democrats, among whom I number myself, take the view that it is unnecessary to pump funds from the Netherlands to Brussels and back and that that is not the answer.

Whilst it follows that not everyone in my country is pleased with the proposed European globalisation fund, I should nevertheless like to express my support for it, and would wish to add that I think that we should draw on existing ESF structures as much as we can. Why am I, all things considered, in favour of it? It is because citizens need support in order to deal with the adverse effects of globalisation. If that support is not forthcoming from their own governments – which, in the Netherlands, it is not in the case of certain regions, the north being one example – then we are happy to receive that support from Europe.

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▶ Vladimír Špidla, Member of the Commission. (CS) Ladies and gentlemen, I have listened to your discussion with interest and I feel that it has emerged from a period of thorough preparation and that the consensus displayed in it is very strong. I would like to respond to some of the questions that have directly or indirectly been raised. On the topic of informing and consulting employees, this is the second phase consultation with the social partners. On the topic of safeguarding the right of employees to be informed and consulted in advance of restructuring measures, this obligation is set out in a number of Community directives. These directives must be strictly upheld.

I would like to stress the fundamental importance of social dialogue in firms, as it represents an instrument for anticipating and managing restructuring, and the communication therefore presents the second phase consultation with the European social partners as something that involves company restructuring and European works councils in equal measure. I hope that the social partners will begin to work intensively towards the introduction of mechanisms for implementing and monitoring the reference principles outlined a year and a half ago in relation to restructuring, and to make use of European works councils as mediators for change at a company level. The Commission takes the view that this is one of their key tasks. The legislative route cannot entirely be ruled out, but in the present phase it would be

more appropriate and beneficial to let the social partners handle matters.

On the question of Community assistance for relocations, I would like to state that the current framework provides for the cancellation of aid from the Structural Funds in cases where a given business undergoes significant change, for example where it is relocated within five years of a decision being made and the allocation of resources taking place. I would also say that, in respect of the 2007-2013 programming period, the Commission is proposing an increase of this guarantee to seven years, along with a requirement that any aid received must be reimbursed where this regulation has been infringed, and that any firm that breaches this requirement once would be excluded from receiving further aid in the future.

The Commission recently adopted a proposal for a regulation establishing a Globalisation Adjustment Fund. It will be up to you to discuss it with the Council and to decide whether to approve it. The Commission is fully prepared to discuss the terms applying to the fund, and I have noted a number of ideas that I regard as important in this respect. Among these is undoubtedly the idea that the companies themselves must contribute within the framework of restructuring, and that the strategy of shifting all costs to the public purse cannot be supported. I would also like to stress the direct and short-term nature of the assistance provided through this Fund, in contrast to the more structured activities of the Structural Funds, especially the European Social Fund. This means that the Fund is wholly and explicitly conceived of as being complementary to existing instruments, supplementing them in areas where they are not effective. As I have already stated, the Social Fund, as well as other Structural Funds, allows for long-term activities aimed at adapting regions, sectors and work processes to economic and social change, in contrast to the short-term demands of specific exceptional situations. This is a priority set for the target of the Structural Funds, which is competitiveness and employment in the 2007–2013 period.

Ladies and gentlemen, the unifying idea in this discussion has undoubtedly been that restructuring provides opportunities, but that the human costs will be unacceptably high if it is not managed properly. These opportunities arise from the fundamental structure of our society and the fundamental structure of modern development in general, in that it constitutes a search for ever more effective and more technologically advanced solutions in the economic and social spheres. Ladies and gentlemen, it is a basic component of the EU Treaty that the aim of our efforts should be quality of life in the everyday sense of the word. In my view, the communication or report that Parliament is now putting forward is an inspiring document which represents a step in that direction.

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▸ President. – The debate is closed.

The vote will take place on Wednesday at 11.30 a.m.