

Social responsibility of subcontracting undertakings in production chains

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The Committee on Employment and Social Affairs adopted the own-initiative report drawn up by Lasse LEHTINEN (PES, FI) on the social responsibility of subcontracting undertakings in production chains.

Globalisation and its corollary of increased competition are bringing about changes in the ways companies organise themselves, including the outsourcing of non-strategic activities, the creation of networks and increased recourse to subcontracting. These changes have had far-reaching consequences for labour relations. Although subcontracting has many positive aspects and has allowed for increased production capacity, it is also generating some economic and social imbalances among workers and might foster a race to the bottom in working conditions.

In this context, the report calls on public authorities and all stakeholders to do their utmost to increase the level of awareness among workers of their rights under the various instruments that regulate their employment relationship and working conditions in the undertakings for which they work and the contractual relationships in subcontracting chains. The Commission is called upon to **raise awareness** of social responsibility practices among companies and to put forward a proposal on **applying the decent work agenda to workers in subcontracting undertakings**, and, in particular, on compliance with core labour standards, social rights, employee training and equal treatment.

MEPs welcome the fact that eight Member States (Austria, Belgium, Finland, France, Germany, Italy, the Netherlands and Spain) have responded to the problems connected with the duties of subcontractors as employers by establishing national liability schemes. They encourage other Member States to consider similar schemes, highlighting the fact, however, that implementing the rules in cross-border subcontracting processes is especially difficult when Member States have different systems in place.

MEPs take note of the Commission's [proposal for a directive](#) providing for sanctions against employers of illegally staying third-country nationals, in which the Commission proposes the introduction of the concept of joint and several liability into Community legislation. The report stresses that this concept is a suitable instrument to guarantee that all subcontractors assume their corporate responsibility in respect of employees' rights.

MEPs call on the Commission to establish **a clear-cut Community legal instrument introducing joint and several liability at European level**, while respecting the different legal systems in place in the Member States. They also call on the Commission to launch an impact assessment on the added value and **feasibility of a Community instrument on chain liability** as a way of increasing transparency in subcontracting processes and of securing better enforcement of Community and national law. The scope of liability in such an instrument should cover at least wages, social security contributions, taxes and damages in relation to work-related accidents.

The report stresses the need to **promote incentives** for companies to make every reasonable effort in good faith to eliminate labour law infringements by subcontractors, including reporting to the authorities and terminating a contract with a subcontractor which engages in illegal practice. It also proposes that the possibility of **reconciling family life with work** be safeguarded in law at national level for workers in subcontracting undertakings in production chains and that the directives on maternity and parental leave be effectively implemented.

Lastly, the Commission is called upon to:

- promote more and better cooperation and coordination between national administrative bodies, inspectorates, government enforcement agencies, social security authorities and tax authorities;
- develop quality standards for labour inspectorates and to carry out a feasibility study of possible arrangements for establishing a European network of labour inspectorates;
- ensure effective compliance with Directive 96/71/EC on the posting of workers, including, if necessary, launching infringement procedures.