

# Social responsibility of subcontracting undertakings in production chains

2008/2249(INI) - 26/03/2009 - Text adopted by Parliament, single reading

The European Parliament adopted by 321 votes to 235, with 11 abstentions, a resolution on the social responsibility of subcontracting undertakings in production chains.

The text adopted by Parliament had been tabled by the PES, ALDE and Greens/EFA groups, pursuant to Rule 45(2) of the Rules of Procedure, as an alternative motion for a resolution to the motion for a resolution contained in the report tabled by the committee responsible.

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.

**Awareness raising:** in this context, the resolution 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.

The European Parliament welcomes 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. It encourages 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. Parliament emphasises the particular challenges faced by small businesses and therefore calls on policymakers to develop appropriate tools to raise awareness among small businesses.

**Sanctions:** Parliament takes 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 resolution stresses that this concept is a suitable instrument to guarantee that all subcontractors assume their corporate responsibility in respect of employees' rights.

**Community instrument:** Parliament calls 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. It also calls 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. A Community instrument on chain liability would benefit not only employees, but also Member State authorities, employers and, in particular, SMEs in their fight against the grey economy.

**Incentives:** the resolution 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.