Relocation to and investment in third countries

1996/2235(INI) - 15/01/1998 - Text adopted by Parliament, single reading

In adopting the second report by Mr André SAINJON (ARE, F) on industrial relocation (the first having been referred back to committee in November 1997 because it went beyond the bounds of its title), the European Parliament recommended that the Commission draw up a voluntary code of conduct for European multinationals, based on five points: - the promotion of trade union freedom and collective bargaining, - combating forced labour, - combating child labour, - the elimination of discrimination in employment and careers, and equal pay for men and women, - compliance with environmental standards. Parliament urged that social and environmental clauses be incorporated in international agreements and in WTO rules. The Member States and the Commission should undertake coordinated action to amend the OECD's code of investments so as to include minimum rules for cases where the country in which a multinational is being established does not have labour law provisions. Community aid to the establishment of a group on a particular site should be conditional upon an undertaking to remain on that site for a minimum period, aid being broken down throughout that period. In the event that this clause was not observed, any monies already granted should be refunded to the Commission. Parliament recommended coordination of aid and tax incentive policies for establishing multinational companies in Member States to prevent unfair competition. It called on the Commission to initiate discussions with the governments of the countries of Central and Eastern Europe on the undervaluation of certain of their currencies liable to lead to relocation. Parliament considered it essential that the ILO create an international social label. Should it fail to do so, the Commission should consider establishing a European social label. Parliament welcomed the United Kingdom's decision to accept the social provisions of the Amsterdam Treaty. Lastly, it hoped that, in the context of the Euro Council, the European political authorities would consider the impact of the euro/dollar parity on direct foreign investment in third countries.