

European Communities

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Working Documents

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DOCUMENT 1-758/83

Report

drawn up on behalf of the Committee on
Social Affairs and Employment

on the Memorandum from the Commission
(COM(79) 190 final) on employee participation
in asset formation

Rapporteur: Mr E. BROK

PE 78.734/fin.

By letter of 5 February 1980, the Committee on Social Affairs and Employment was authorized to draw up a report on the Memorandum from the Commission on employee participation in asset formation¹.

At its meeting of 30 October 1979, the Committee on Social Affairs and Employment appointed Mr NORDLOHNE rapporteur.

The committee considered the matter at its meeting of 20 November 1979. Following this discussion, the rapporteur submitted to the committee a synopsis of the individual national systems of asset formation (PE 62.233).

Owing to the death of the original rapporteur, Mr NORDLOHNE, on 17 February 1981 Mr BROK was appointed to replace him.

At its meeting of 27 May 1981, the Committee on Social Affairs and Employment considered the Commission document and continued its discussion on 13 July 1982 on the basis of a draft report (PE 78.734). At the latter meeting, it was decided to hold a public hearing with representatives of appropriate organizations of employers, employees, small and medium-sized undertakings and representatives of the banks. The hearing took place on 19 October 1982.

On 22 March 1983 and 19 April 1983, the committee drew up a timetable for submitting its report in the light of the preceding discussions. At its meetings of 14 June 1983 and 20 September 1983, it considered the revised draft report (PE 78.734/rev.), which was adopted at the latter meeting by 13 votes to 9 with no abstentions.

The following took part in the vote : Mr Calvez (acting chairman), Mr Peters (vice-chairman), Mr Brok (rapporteur), Mr Barbagli, Mr Ceravolo, Mr Chanterie, Mr Dalsass (deputizing for Mr Estgen), Mrs Dury (deputizing for Mr Motchane), Mr Eisma, Mr Ghergo, Mr McCartin, Mrs Maij-Weggen, Mrs Nielsen, Mr Ouzounidis (deputizing for Mrs Duport), Mr Patterson, Mr Prag, Mrs Salisch, Mr Simpson, Mrs Squarcialupi (deputizing for Mr Damette), Mr Van Minnen, Mr Vernimmen (deputizing for Ms Clwyd) and Mr Wawrzik (deputizing for Mrs Cassanmagnago-Cerretti).

The explanatory statement was presented orally.

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The report was tabled on 26 September 1983.

¹ Annex No. 6/79 of EEC Bulletin
(COM(79) 190 final)

The Committee on Social Affairs and Employment hereby submits to the European Parliament the following motion for a resolution:

MOTION FOR A RESOLUTION

on the Memorandum from the Commission on employee participation in asset formation

The European Parliament,

- having regard to the Memorandum from the Commission on employee participation in asset formation (COM(79) 190 final),
- having regard to the demand for asset formation set out in the PAPAEFSTRATIOU report¹,
- having regard to the report of the Committee on Social Affairs and Employment (Doc. 1-758/83),
- A. having regard to the measures taken by the Member States concerning asset formation,
- B. having regard to the distribution of wealth in the European Community,
- C. convinced that private ownership of individually disposable assets contributes to personal independence and freedom and is therefore in keeping with the dignity of the individual,
- D. convinced that ownership must be subject to social requirements,
- E. in the knowledge that only individually disposable and widely dispersed ownership accords with the principle of the distribution of power,
- F. convinced that individual participation by employees in productive capital in particular contributes to social peace and promotes social partnership among all persons working in industry and in individual undertakings,
- G. with the aim of ensuring that every citizen engaged in work is at one and the same time a shareholder, an employee and a consumer,
- H. in the knowledge that an economic system founded on freedom, effectiveness and social justice can be achieved only on the basis of widely distributed private ownership,

¹ OJ No. C 135 of 24.5.83, p. 10

- I. having regard to the need for more investment capital to overcome the economic crisis, to achieve or guarantee the competitiveness of European industry, and thereby to solve the problem of unemployment,
 - J. having regard to the budgetary difficulties faced by all the Member States and the European Community in financing effective short-term economic and structural programmes,
 - K. in the knowledge that aid from the state for short-term economic and structural measures either serves to reinforce the present distribution of ownership or leads to anonymous participation by the state with the support of employees' taxes without leading to any personal asset formation for the individual employee,
 - L. having regard to the low capital resources of undertakings in the European Community,
 - M. laying particular emphasis on the duties and responsibility of the two sides of industry,
1. Welcomes the Commission's Memorandum;
 2. Recognizes the importance of encouraging savings accounts, but considers that in view of the high rate of inflation in some Member States and the lack of investment capital for housing and industry, priority must be given at present to promoting other types of asset formation;
 3. Calls for greater encouragement of private house ownership, since this contributes more to the independence and self-realization of the individual than rented accommodation in blocks of flats, which is often impersonal and generally too expensive, and because it will give additional incentives for private initiative and the use of private capital to overcome the housing shortage in many regions of the European Community;
 4. Recommends above all, in addition to fiscal measures, home-ownership savings schemes with financial support from the state, subject to a ceiling on savers' incomes and a minimum saving period;
 5. Observes that participation by the employee in productive capital is of major importance;

6. Observes that this participation by the employee must allow him individual right of disposal;
7. Calls on individual undertakings and the two sides of industry, in view of the problems of investment and unemployment, to agree as a first step on an investment wage system;
8. Calls on the Member States to remove the existing legal and fiscal obstacles to various forms of investment for employees and to create the necessary framework of incentives (employee loans, sleeping partnerships, stocks, shares in limited liability companies and limited partnerships, etc.);
9. Proposes that the Member States should provide financial support from the state (premiums and/or tax provisions) to encourage undertakings to increase their investment and/or capital resources through sound investment of the participatory holding;
10. Considers that such investments should be frozen for a fixed period (5-10 years) which must, however, take into account any special circumstances;
11. Welcomes particularly participation by employees in the undertaking in which they work;
12. Favours special arrangements for types of investment which enable employees in the public sector and in small and medium-sized undertakings to participate in productive capital formation and which also allow small and medium-sized undertakings the possibility of investment using the investment wage;
13. Considers that employees who do not participate in their own undertaking must be given the opportunity, not only by means of existing facilities (eg. banks), but also through inter-professional funds and clearing systems, or instruments established jointly by the two sides of industry, to acquire holdings which cannot be used to direct investments and which do not involve any direct right of determination as regards the undertaking;

14. Considers that employee participation in productive capital formation necessitates, up to a certain amount and until a certain time special guarantees as to the security of returns (e.g. through a contingency fund);
15. Believes that, as a second step, systems should be introduced in the near future to enable individual employees to participate in the capital growth of industry (profit sharing);
16. Proposes that those undertakings which possess the necessary prerequisites should lead the way in their sector, as some have already done;
17. Calls on the European Community and the Member States to offer employees business savings schemes for setting up their own businesses, on the model of home-ownership savings schemes, with tax concessions, premiums and favourable credit terms;
18. Proposes that attractive individual investment opportunities in the productive sector be made available to migrant workers in their places of origin by direct participation and/or through regional development funds and that they be offered special savings and loan facilities in their home countries, perhaps by setting up a special revolving fund. The possibility should be considered of using the revolving fund proposed by Parliament as part of the Mediterranean programme for this purpose;
19. Considers that agreements reached collectively or within the undertaking which comply with a general national outline law are preferable to legal provisions, but that the latter alternative is possible if insufficient progress is made on a voluntary basis;
20. Requests the Commission, in the light of the above observations, to draw up a recommendation and, within five years to submit a report on asset formation in the European Community and to consider whether a directive should be drawn up, at least in respect of individual sectors of asset formation;
21. Instructs its President to forward this resolution to the Council, the Commission and the national governments.