Mobilisation of the European Globalisation Adjustment Fund: redundancies in machinery sector (Linak) in Denmark

2010/2133(BUD) - 07/10/2010 - Budgetary text adopted by Parliament

The European Parliament adopted by 555 votes to 64 with 11 abstentions a resolution approving the attached proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF).

The Fund will be mobilised for a total amount of **EUR 1 213 508** in commitment and payment appropriations **to assist Denmark in respect of redundancies in the mechanical and electronic machinery sector.**

Parliament recalls that the European Union set up the appropriate legislative and budgetary instruments to provide additional support to workers who suffer from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market.

Noting that Denmark has requested assistance in respect of cases concerning 198 redundancies in the enterprise Linak operating in the electronic and mechanic sector in the NUTS II region of Syddanmark, and that the application fulfils the eligibility criteria set up by the EGF Regulation, Parliament asks the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF.

Parliament recalls the institutions' commitment to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF, providing one-off, time-limited individual support geared to helping workers who have suffered redundancies as a result of globalisation. It stresses that the European Union should use all its means to face the consequences of the global economic and financial crisis and that in this context, the EGF can play a crucial role in the reintegration of the workers made redundant into the labour market.

In addition, Parliament recalls that:

- the EGF should support the reintegration of the individual redundant workers into employment and that assistance from the EGF shall not replace actions which are the responsibility of companies by virtue of national law or collective agreements, nor measures restructuring companies or sectors;
- in the context of mobilising the EGF, the Commission should not systematically transfer payment appropriations from the ESF, since the EGF was created as a separate specific instrument with its own objectives and deadlines;
- the functioning and the added value of the EGF should be evaluated in the context of the general assessment of the programmes and other various instruments created by the IIA of 17 May 2006, within the process of the 2007-2013 multiannual financial framework mid-term review.

Parliament welcomes the fact that, in the context of mobilising the EGF, **an alternative source of payment appropriations to unused ESF funds has been proposed by the Commission**, following the frequent reminders by the European Parliament that the EGF was created as a separate specific instrument with its own objectives and deadlines and that appropriate budget lines for transfers must therefore be identified.

It also notes that, in order to mobilise the EGF for this case, payment appropriations will be transferred from a budget line dedicated to the support of SMEs and innovation; (even if it regrets the severe shortcomings of the Commission when implementing programmes on competitiveness and innovation, particularly during an economic crisis which should significantly increase the need for such support).

Lastly, Parliament welcomes the new format of the Commission's proposal, presenting in its explanatory memorandum, clear and detailed information on the application, analysing the eligibility criteria and explaining the reasons which lead to its approval, which is in line with Parliament's requests.