

Resolution on the future of the European Globalisation Adjustment Fund

2011/2794(RSP) - 29/09/2011 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution tabled by the Committee on Employment and Social Affairs on the future of the European Globalisation Adjustment Fund, which was established by [Regulation \(EC\) No 1927/2006](#) and set up with the aim of demonstrating the EU's solidarity with workers affected by mass redundancies resulting from globalisation, extended in 2009 to cover dismissals caused by the financial and economic crisis as well. Members are pleased that the EGF was able to support about 10% of all dismissed workers in the EU during the 2009-2010 period, and note that 40% of workers targeted by the EGF in 2009 were successfully reintegrated into the labour market despite the negative effects of the financial and economic crisis on labour markets.

Parliament notes that the Commission is [proposing to extend this temporary derogation until the end of 2013](#), and it supports the Commission's proposal to continue the EGF, and asks for urgent clarification as to the situation with regard to farmers and those on fixed-term contracts. Members take the view that the greatest added value a renewed EGF could provide would be effective support for the training and retraining of workers with a view to reintegrating them into employment in difficult labour market situations resulting from unforeseen restructuring of companies or sectors which creates or aggravates skills mismatches. Such an instrument would provide a valuable complement to those measures financed by the ESF which are aimed predominantly at adapting to global challenges with a view to sustainable economic growth. They also stress that on the one hand this instrument would ensure EU solidarity with workers adversely affected by restructuring, and that on the other hand all Member States could benefit from its timely, targeted and tailored intervention in order to prevent long-term unemployment.

Noting that the lengthy procedure for mobilising the EGF has been identified as a major shortcoming of the relevant regulation, Parliament is of the opinion that introducing faster intervention procedures so as to enable the EGF to be mobilised more efficiently and quickly is the main challenge for the future. It takes into account the Commission's efforts to present viable solutions with a view to reducing the length of the application and mobilisation procedure to a maximum of six months but notes the lack of progress made in the four years in which the EGF has been operational, and urges Member States to speed up its operation by front-loading the measures within its scope without disadvantaging those Member States facing budgetary difficulties.

Parliament goes on to call on the Commission to:

- ensure that the future EGF have a strong focus on innovation, in line with the Europe 2020 strategy objectives, and put forward proposals whereby a local, regional or national crisis leading to substantial job losses could also be considered under the EGF;
- ensure that the measures adopted are coherent and compatible with the objectives of the Europe 2020 strategy, and to use part of its technical assistance budget to promote and disseminate best practices and mutual learning between the Member States;
- ensure coherence between EGF interventions and action targeting companies and sectors in the area of EU competition rules and industrial policy;
- propose improvements in the future EGF Regulation to ensure that the Fund does not generate moral hazard effects for multinational companies;
- investigate ways of ensuring that EGF funding is not used indirectly by multinational companies showing a net profit to reduce the cost to them of handling restructuring in a socially responsible way and to evade their responsibilities;
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establish an EU framework for anticipation and management of change and restructuring in which these companies are held financially responsible for re-employment measures;

- identify the reasons that some Member States have not yet made use of the EGF even though mass redundancies have occurred, and to propose solutions accordingly in order to ensure that EGF funding is distributed in line with the Union's objective of promoting economic, social and territorial cohesion, and solidarity among Member States (Article 3 TEU);
- ensure that the EGF continues to fund only those active labour market measures which are additional to the measures provided for under national law in the event of mass redundancies. Furthermore, in future the allowances supported by the EGF should always be coupled with training or retraining measures also financed by the EGF, and they should not replace allowances provided for under national or Community law or collective agreements;
- investigate the possibility of aligning the co-financing rate of the EGF with the one applicable to the Structural Funds in the Member State concerned;
- monitor the implementation process more closely in order to ensure that the outcomes of the measures are equally beneficial for all workers, and to compile a data base of best practices and models.

Lastly, Parliament stresses that the social partners and local authorities should be heavily involved in the application procedure and, above all, the design of the coordinated package of measures. The social partners should participate in monitoring implementation and evaluating the outcomes for workers.