Mobilisation of the European Globalisation Adjustment Fund: redundancies in construction of buildings in Spain

2012/2121(BUD) - 16/07/2012 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report drafted by Juan Andrés NARANJO ESCOBAR (EPP, ES) on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 1 300 000** in commitment and payment appropriations to assist Spain in respect of redundancies in construction of buildings.

Members recall that the European Union has set up the appropriate legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market. Given that Spain has requested assistance for 836 redundancies, 320 of which are targeted for assistance, in 377 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings') in the NUTS II region of Aragón (ES24) in Spain, Members request the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF for the requested amount. Moreover, they agree with the Commission that the conditions set out in Article 2(b) of the EGF Regulation are met and that, therefore, **Spain is entitled to a financial contribution under that Regulation.**

Members note that the region of Aragón has been hard hit in the past by mass dismissals and that Spain has submitted two EGF applications for the Aragón region before: EGF/2008/004 ES Castilla y León & Aragón (1 082 redundancies in the automotive industry of which 594 occurred in Aragón) and EGF/2010/016 ES Aragón retail (1 154 redundancies in the retail sector).

They welcome the fact that the region builds on the experience with the EGF and quickly assists workers in several sectors. They firmly believe that the anticipated EGF assistance can further contribute to preventing the risk of depopulation in the region of Aragón (currently comprising between 3 and 54 inhabitants per km²) by effectively **encouraging the population to remain in this territory**.

They also note that the Spanish authorities decided to start the implementation of the measures **well ahead of the final decision on granting the EGF support for the proposed coordinated package**.

In addition, they welcome:

- the fact that the regional authorities engage in dialogue with the social partners in order to improve the match between the demand and supply in the labour market and that the coordinated package of personalised services has been discussed and developed with the social partners;
- the training course which was designed to match the identified needs of local enterprises.

In this respect, they highlight the fact that lessons should be learned from the preparation and implementation of this and other applications addressing mass dismissals in a high number of SMEs in one sector, in particular, in terms of the eligibility of self-employed and owners of the SMEs for EGF support in the future regulation.

Members:

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- appreciate the improved procedure put in place by the Commission, following Parliament's request for accelerating the release of grants;
- hope that further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund (2014–2020) and that greater efficiency, transparency and visibility of the EGF will be achieved;
- reiterate that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements, nor measures restructuring companies or sectors;
- notes that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on the complementarity with actions funded by the Structural Funds;
- reiterate their call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect of the existing regulations and that no duplication of Union-funded services can occur.

Moreover, Members welcome the fact that following requests from Parliament, the 2012 budget shows payment appropriations of EUR 50 000 000 on the EGF budget line 04 05 01. They recall that the EGF was created as a separate specific instrument with its own objectives and deadlines and that it therefore deserves a dedicated allocation, which will avoid there being transfers from other budget lines, as happened in the past, which could be detrimental to the achievement of the policy objectives of the EGF.

Members **regret the decision of the Council to block the extension of the "crisis derogation",** which allows provision of financial assistance to workers made redundant as a result of the current financial and economic crisis in addition to those losing their job because of changes in global trade patterns, and which allows an increase in the rate of Union cofinancing to 65% of the programme costs, for applications submitted after the 31 December 2011 deadline. **They call on the Council to reintroduce this measure without delay.**