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

2012/2121(BUD) - 11/09/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 583 votes to 68, with 22 abstentions, a resolution approving the proposal for a decision 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 the construction of buildings**.

Parliament recalls 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.

Parliament notes that the region of Aragón has been hard hit in the past by mass dismissals and that this is not the first EGF intervention in this regard (EGF/2008/004 ES Castilla y León & Aragón and EGF/2010/016 ES Aragón).

It welcomes the fact that the region builds on the experience with the EGF and firmly believes 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**.

In this context, Parliament welcomes the allocation to Spain of the amounts put forward in the proposal. It:

- expresses its satisfaction with the improvement of the procedure established by the Commission, following Parliament's request for accelerating the release of grants;
- hopes that further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund (2014–2020) and for greater efficiency, transparency and visibility of the EGF to be achieved;
- recalls the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;
- reiterates 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 and that it results in the co-funding of active labour market measures resulting in long-term employment;
- highlights the need to avoid any duplication in the services funded by the Union, including in the context of the EGF.

**Revision of the EGF:** Parliament welcomes the fact that following its repeated requests, the sum of EUR 50 million in payment appropriations has been allocated to the budget line 04 05 01 for the EGF. It recalls

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. It regrets the **decision of the Council to block the extension of the "crisis derogation"**. This derogation makes provision for 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. It also allows an increase in the rate of Union cofinancing to 65% of the programme costs for applications submitted after the 31 December 2011 deadline. It calls on the Council to reintroduce this measure without delay.

Parliament highlights 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.