Mobilisation of the European Globalisation Adjustment Fund: redundancies in the shipbuilding industry in Spain

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The Committee on Budgets adopted the report by Alexander ALVARO (ALDE, DE) on the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 2 029 235** in commitment and payment appropriations to assist Spain in respect of redundancies in the shipbuilding sector.

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 858 redundancies in total (450 of whom are eligible for EGF aid) following redundancies in 35 enterprises operating in the NACE Revision 2 Division 25 ('Manufacture of fabricated metal products, except machinery and equipment') in the region of Galicia (ES), Members request the institutions involved to make the necessary efforts 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**.

Recalling the conditions that at the source of the request for an EGF contribution, Members underline that the redundancies in the shipbuilding ancillary industry will exacerbate the difficult employment situation in the region of Galicia. They note that, while the forecast at the EU level about the recovery of the shipbuilding sector was reasonably optimistic, in 2011, new orders unexpectedly fell by 43%.

Members welcome the fact that, in order to provide workers with speedy assistance, 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 and recall the importance of improving the employability of all workers by means of tailored training and the recognition of skills and competences gained throughout the professional career.

Lessons from the implementation of the EGF: Members welcome the fact that the EGF contribution is planned to support solely active labour measures (training and counselling) and will not be used for allowances. They highlight the fact that lessons should be learned from the preparation and implementation of this and other applications addressing mass dismissals.

Members request the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements **to accelerate the mobilisation of the EGF**. They also appreciate the improved procedure put in place by the Commission, following Parliament's request for accelerating the release of grants, aimed at presenting to the budgetary authority the Commission's assessment on the eligibility of an EGF application together with the proposal to mobilise the EGF. They hope that **further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund (2014–2020).**

Members reiterate their usual position in respect of a dossier of this type:

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- the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;
- the fact 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 can co-finance only active labour market measures which lead to durable, long-term employment;
- 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;
- the fact that the EGF should not provide an incentive for companies to replace their contractual workforce with a more precarious and short-term one;
- the fact 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;
- the need for a comparative evaluation of those data in the annual report on the Funds;
- the need to ensure that no duplication of Union-funded services can occur.

They also welcome the fact that following repeated requests from Parliament, the 2012 budget shows payment appropriations of EUR 50 000 000 on the EGF budget line 04 05 01; recalls that the EGF was created as a separate specific instrument with its own objectives and deadlines and therefore deserves a dedicated allocation, which will avoid transfers from other budget lines. They regret the **decision of the Council to block the extension of the "crisis derogation"**, allowing to provide 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 allowing the increase in the rate of Union co-financing 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.