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

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The Committee on Budgets adopted the report by Frédéric DAERDEN (S&D, BE) on the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund, the sum of **EUR 2 898 594** in commitment and payment appropriations, in order to provide a financial contribution for the application submitted by the Netherlands with respect to redundancies in the construction 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. Noting that the Netherlands has requested assistance for 516 redundancies, 435 of which are targeted for assistance, in 54 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings') in the region of Gelderland (NL), Members request the institutions involved to accelerate the mobilisation of the EGF. They agree with the Commission that the conditions set out in Article 2(b) of the EGF Regulation are met and that, therefore, **the Netherlands is entitled to a financial contribution under that Regulation**.

They welcome this call for the EGF financial contribution by the Dutch Government even though this Member State has opposed the extension of the crisis derogation for the current EGF and jeopardises the future of the EGF after 2013.

Members also stress that the number of people working in construction is relatively high (approximately 60 000 in 2011) compared with other sectors of industry. The unemployment rate in 2011 in Gelderland was 5.9 %, a fraction higher than the Dutch average. Gelderland is the biggest province of the Netherlands, counting approximately 2 million inhabitants, and counts about 146 000 companies. Members point out that the vast majority of redundant workers come from elementary professions. Therefore, there is a necessity for further training and education in order to allow them to re-integrate in the labour market.

At the same time, Members welcome the fact that, in order to provide workers with speedy assistance, the Dutch 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.

They 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 to be learned from the implementation of the EGF: the report highlights the fact that lessons should be learned from the preparation and implementation of this and other applications addressing mass dismissals, especially with respect to the activities in anticipation of redundancies and timeliness of the preparation of EGF applications. It requests the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements to **accelerate the mobilisation of the EGF**. Members 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).

The committee reiterates its usual position on the approach to this kind of application:

- the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;
- 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 must support the reintegration of individual redundant workers into long-term employment;
- 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 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 its annual reports in order to ensure full respect of the existing regulations and
- no duplication of Union-funded services can occur.

The committee welcomes 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. It 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, as happened in the past, which could be detrimental to the achievement of the policy objectives of the EGF. Members regret t **he 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.