Mobilisation of the European Globalisation Adjustment Fund: redundancies in the wind turbine manufacturing industry in Denmark

2012/2228(BUD) - 23/10/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 559 votes to 65, with 16 abstentions, a resolution approving the annexed proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF), for an amount of **EUR 7 488 000** in commitment and payment appropriations **in respect of redundancies in the wind turbine sector in Denmark**.

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 Denmark has requested assistance in respect of a case concerning 720 redundancies at the wind turbine manufacturer *Vestas Group*, Parliament requests the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount noting, moreover, that the conditions set out in Article 2(a) of the EGF Regulation are met. As a result, **Denmark is entitled to a financial contribution under this Regulation.**

Recalling the conditions that at the source of the request for an EGF contribution, Parliament underlines that attracting an innovative enterprise such as *Vestas* provided many high-skilled and high-quality industrial jobs for workers and that the loss of these jobs has put the region into difficulties; at a time when unemployment is rising rapidly.

Parliament also welcomes the fact that, in order to provide workers with speedy assistance, the Danish authorities decided to start the implementation of the measures well ahead of the final decision on granting the EGF support and recalls 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. Parliament welcomes the fact that the package contains **considerable financial incentives for setting-up own businesses** which will strictly be linked to participation in entrepreneurship courses and monitoring exercise at the end of the EGF project. However, it notes that **more than half of the EGF support will possibly be spent on financial allowances** - 720 workers are said to receive subsistence allowance (including student grants) which is estimated at EUR 10 400 per worker. Parliament recalls that the **EGF support should be of complementary nature and should never replace allowances under the responsibility of Member States**.

It observes in passing that this is the third EGF application addressing the layoffs in the wind turbine industry, all of them from Denmark (EGF/2010/017 DK/Midtjylland Machinery and EGF/2010/022 DK /LM Glasfiber).

Lessons from the implementation of the EGF: Parliament considers that it is important to that lessons should be learned from the preparation and implementation of this Danish application and it calls on the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to **accelerate the mobilisation of the EGF**. It appreciates the improved procedure put in place by the Commission, following its request for accelerating the release of grants. It hopes that **further improvements in the procedure will be integrated** in the new Regulation on the EGF (2014–2020) and that greater efficiency, transparency and visibility of the EGF will be achieved.

Parliament reiterates its usual position in respect of a dossier of this type:

- 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.

Lastly, Parliament welcomes the fact that following its requests, the 2012 budget shows payment appropriations of EUR 50 million on the EGF budget line 04 05 01.