Mobilisation of the European Globalisation Adjustment Fund: redundancies in aluminium production in the Netherlands

2012/2164(BUD) - 23/10/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 576 votes to 64, with 12 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 1 494 008** in commitment and payment appropriations **in respect of redundancies in the aluminium production sector in the Netherlands.**

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 the Netherlands have requested assistance for 616 redundancies in total (478 in *Zalco Aluminium Zeeland Company NV*, 18 redundancies in its supplier *ECL Services Netherlands B.V.* and 120 in *Start*) during the short reference period from 1 to 27 December 2011, Parliament requests 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, it agrees with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met and that, therefore, **the Netherlands are entitled to a financial contribution under that Regulation**.

Parliament welcomes 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**.

Parliament notes the conditions at the source of the request for the EGF contribution and that the Court in Middelburg pronounced *Zalco Aluminium Zeeland Company NV* as bankrupt on 13 December 2011. Because of this bankruptcy, it is expected that other workers in upstream or downstream companies will be made redundant. Parliament also notes that the redundancies will have a noticeable impact on local communities and the number of open positions compared to the number of unemployed: the dismissed workers live in relatively small towns (up to about 50 000 inhabitants), so that the redundancies will have a noticeable local impact, further complicating the reinsertion in the labour market.

Parliament welcomes the fact that the Netherlands authorities decided to start the implementation of the coordinated package already well in advance of the decision of the budgetary authority on granting the EGF support 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. They particularly 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**.

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

Parliament 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.

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. 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, which could be detrimental to the achievement of the policy objectives of the EGF. Parliament regrets the **decision of the Council to block the extension of the "crisis derogation"**, allowing the increase in the rate of Union cofinancing to 65% of the programme costs, for applications submitted after the 31 December 2011 deadline, and calls on the Council to reintroduce this measure without delay.