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

2012/2154(BUD) - 23/10/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 572 votes to 63, with 13 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 2 898 594** in commitment and payment appropriations **in respect of redundancies in the building construction 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. 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), Parliament requests the institutions involved to accelerate the mobilisation of the EGF. It agrees with the Commission that the conditions set out in Article 2(b) 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 also stresses 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. Parliament points 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, although it notes the very high cost of training amounting to EUR 18 000 per worker (foreseen for 75 workers) and the outplacement assistance - EUR 8 500 per worker (foreseen for 150 workers) and requests more information concerning those two measures and operators carrying them out.

Parliament welcomes 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. It also 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. It also w elcomes the fact that the EGF contribution is planned to support solely active labour measures (training and counselling) and **will not be used for subsistence allowances**.

Lessons from the implementation of the EGF: 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 small and medium enterprises (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. 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.

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.