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

2012/2160(BUD) - 23/10/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 570 votes to 71, 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 2 029 235** in commitment and payment appropriations **in respect of redundancies in the shipbuilding sector in Spain.**

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 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), Parliament requests 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, Parliament underlines that the redundancies in the shipbuilding ancillary industry will exacerbate the difficult employment situation in the region of Galicia. It notes 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%. Moreover, the employment situation in the region is difficult as the unemployment rates reached 18 % for women and 16.32 % for men in the end of 2011. The perspectives for future reintegration into employment of the dismissed workers in this territory do not seem very encouraging.

Parliament welcomes 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. It regrets that the information on the training measures does not describe in which sectors the workers are likely to find employment and if the package has been adapted to the future economic prospects in the region.

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. 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:

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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.

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.