

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacturing of building materials in Spain

2013/2192(BUD) - 19/11/2013 - Budgetary text adopted by Parliament

The European Parliament adopted by 603 votes to 71, with 17 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 840 000** in commitment and payment appropriations to assist Spain hit by redundancies in the building materials sector.

Parliament recalled that the European Union has set up 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 submitted the application for EGF financial contribution following 630 redundancies in 140 enterprises operating in the NUTS II region of *Comunidad Valenciana* with 300 workers targeted for EGF co-funded measures, during the reference period from 14 June 2012 to 14 March 2013, Parliament requested the institutions involved to make the necessary efforts to improve procedural arrangements to accelerate the mobilisation of the EGF for the requested amount, agreeing with the Commission that the conditions set out in Article 2 (b) of the EGF Regulation are met. Therefore, **Spain is entitled to a financial contribution** under that Regulation.

Parliament noted that *Comunidad Valenciana* has been severally affected by the crisis with unemployment rate reaching 29.19% in the first quarter of 2013. It welcomed the fact that the region avails itself yet again of EGF aid to address high unemployment and recalled that *Comunidad Valenciana* region has already applied for the EGF support on four instances for the textile, ceramic and natural stone as well as construction sector. It also welcomed the fact that, in order to provide workers with speedy assistance, the Spanish authorities decided to initiate the implementation of the personalised services to the affected workers on 22 August 2013, **well ahead of the final decision on granting the EGF support**.

Targeted measures: Parliament noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 300 redundant workers into employment such as profiling, occupational guidance, counselling, training, intensive job-search assistance, support towards entrepreneurship, etc. The coordinated package foresees financial incentives for job-search (lump sum of EUR 300), mobility allowance (up to EUR 400), outplacement incentive (up to EUR 700). The overall amount of financial incentives is limited leaving the majority of the contribution to be spent on **training, counselling, job search assistance and support towards entrepreneurship** which is welcomed by Parliament.

Members recalled the importance of improving the employability of all workers by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career. They expect the training on offer in the coordinated package to be adapted not only to the needs of the dismissed workers but also to the **actual business environment**. Moreover, they welcomed the fact that the coordinated package includes vocational training focusing on sectors where opportunities exist or are likely to arise as well as contains up-skilling designed to the future needs of manufacturers in the sector concerned by redundancies.

In parallel, Parliament welcomed the fact that the social partners, and in particular the trade unions at local level, were consulted on the design of the measures of the coordinated EGF package, and that a policy of

equality of women and men as well as the principle non-discrimination will be applied during the various stages of the implementation of and in access to the EGF.

Improving the future EGF: Parliament requested the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF. It appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated 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. It hoped that further improvements in the procedure will be integrated in the new Regulation on European Globalisation Adjustment Fund (2014-2020) and that greater efficiency, transparency and visibility of the EGF will be achieved.

Members welcomed the agreement reached in the Council on reintroducing in the EGF Regulation, for the period 2014-2020, the **crisis mobilisation criterion**, which allows for the provision of 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.

In the process, Parliament reiterated its classic position when dealing with this type of request:

- it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment;
- EGF assistance 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.