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

2014/2013(BUD) - 11/03/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 597 votes to 70, with 11 abstentions, a resolution approving the 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 in respect of redundancies in the textiles industry.

Parliament recalled that the European Union 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 a financial contribution from the EGF, following 560 redundancies in 198 enterprises operating in Comunidad Valenciana with 300 workers targeted for EFG co-funded measures, Parliament requested the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF agreeing with the Commission that the conditions set out in Article 2 (b) of the EGF regulation (1927/2006) are met. Therefore, **Spain is entitled to a financial contribution under this regulation**.

Members noted that Comunidad Valenciana has been severely affected by globalisation with unemployment reaching 29.19% in the first quarter of 2013. They welcomed the fact that the region avails itself yet again of EGF aid to alleviate high unemployment by addressing for the second time lay-offs in textile sector.

They noted that to date, the manufacture of textiles sector has been the subject of 11 EGF applications, all of them based on trade related globalisation while Comunidad Valenciana region submitted already six EGF applications.

Parliament 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 1 January 2014, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

Parliament also welcomed the fact that the social partners, including trade unions (UGT-PV, CCOO-PV), were consulted during the preparation of EGF application and agreed on contributing 10% of the total national co-funding of total costs of the applied measures, 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.

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, trainings. The coordinated package provides financial incentives for job-search (lump sum of EUR 300), mobility allowance, outplacement incentive (up to EUR 350) as well as contribution for carers of dependent persons. The overall amount of financial incentives is relatively limited leaving the majority of the contribution to be spent on **training, counselling, job search assistance and support of entrepreneurship**.

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 underlined that further improvements in the procedure have been integrated in the new Regulation on European Globalisation Adjustment Fund (2014-2020) and **welcomed the agreement** reached between the European Parliament and the Council regarding the new EGF Regulation, for the period 2014-2020, to **reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60% of the total estimated cost of proposed measures**, to increase efficiency for the treatment of EGF applications in the Commission and by the European Parliament and the Council by shortening time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses.

The resolution stressed that, in accordance with Article 6 of the EGF Regulation, it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment.

Lastly, Parliament reiterated that:

- 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.