Mobilisation of the European Globalisation Adjustment Fund: redundancies in food and beverage services in Spain

2014/2054(BUD) - 17/09/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 597 votes to 74, with 26 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, providing **a total amount of EUR 960 000** in commitment and payment appropriations in order to assist Spain which is facing redundancies in its catering sector.

The resolution recalled that the 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 or are made redundant as a result of the global financial and economic crisis and to assist their reintegration into the labour market.

Spain submitted an application for a financial contribution from the EGF, following 904 redundancies in 661 enterprises operating in the NACE Rev. 2 Division 56 (Food and beverage service activities) in the NUTS level 2 region of Aragón (ES24) from 1 March 2013 to 1 December 2013. Parliament asked the institutions to speed up mobilisation of the Fund for the amount requested, agreeing with the Commission that the conditions set out in Article 4(1)(b) of the EGF Regulation are met and that, therefore, **Spain is entitled to a financial contribution under that Regulation.**

Redundancies: Parliament considered that the redundancies are linked to global financial and economic crisis, a decline in average income and a decrease in household consumption in Spain resulted in an overall shrinking demand for food and beverage services. It noted that out of the 904 eligible beneficiaries, only 280 are expected to participate in the proposed actions, which they feel to be low. It also noted that 904 redundancies will further aggravate the difficult unemployment situation in Aragon where the unemployment rate has increased rapidly, **rising to 18.4 % in December 2013**.

Parliament welcomed the fact that the Spanish authorities began providing the personalised services to the targeted beneficiaries on 21 February 2014.

Package of personalised services: Parliament noted that the coordinated package of personalised services to be co-funded includes measures for workers made redundant such as guidance, counselling and job search, training and re-training, reintegration into employment and incentives. It recalled that 20 participants can receive an employment incentive for self-employment of EUR 400 up to a period of 3 months. Parliament considered that this amount is too small and the period through which it is provided is too short to provide real incentives for starting up self-employment.

Members felt that these allowances **remain well below the maximum limit of 35 % of the total costs** for the coordinated package of personalised services, and stressed that the Spanish authorities confirmed that the eligible actions do not receive assistance from other Union financial instruments.

Parliament also highlighted the fact that the coordinated package of personalised services has been drawn up in consultation with the trade unions and employers' organisations in Aragón.

New EGF: Parliament appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated release of grants. It stressed that, in accordance with Article 9 of

the EGF Regulation, it shall be ensured that the EGF assistance is **limited to what is necessary to provide solidarity and temporary one-off support for targeted beneficiaries**. It will not, furthermore, replace actions that are the responsibility of companies by virtue of national law or collective agreements. Members recalled the importance of raising a better awareness about the EGF contribution and more visibility of the role of the Union in it.