Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of wood and of products of wood sector in Spain

2014/2062(BUD) - 17/09/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 618 votes to 71, with 11 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund providing a total amount of EUR 700 000 in commitment and payment appropriations in order to assist Spain which is facing redundancies in its manufacture of wood and of products of wood 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 587 redundancies in 3 enterprises operating in the manufacture of wood and wood products sector in the NUTS level 2 region of Castilla y León (ES41) during the reference period from 28 December 2012 to 28 September 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 2(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 major structural changes in world trade patterns due to globalisation, referring to the fact that the volume of the EU 27 exports of builders' joinery and carpentry of wood products decreased by 10.33% during the period 2008-2011. The 587 redundancies in question have severely affected the local labour market with the unemployment rate rising from 8.2 % in the first quarter of 2008 to 22.70 % in the first quarter of 2013. Parliament felt that **the unemployment situation in the affected region seems particularly fragile** given the extremely low population density in Soria, one of the two provinces affected by the redundancies.

The resolution noted that it is estimated that a limited number of participants may receive an estimated amount of up to EUR 5 200 under the measure to promote entrepreneurship; points out that this estimated amount is made up of several amounts from different support measures.

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

Package of personalised services: Parliament noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of approximately 400 redundant workers into employment such as welcome and information sessions, occupational guidance and counselling, intensive job-search assistance, training, promotion of entrepreneurship, incentives. It also noted that the eligible actions do not receive assistance from other Union financial instruments. Parliament reiterated its call to

the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect of the existing regulations and that no duplication of Union-funded services can occur.

New 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. Members underlined that further improvements in the procedure have been 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.

Parliament also welcomed the adoption of the new EGF Regulation which reflects the agreement reached between the Parliament and the Council to;

- reintroduce the crisis mobilisation criterion;
- **increase Union financial contribution to 60% of the total estimated cost of proposed measures;**
- increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening time for assessment and approval;
- widen eligible actions and beneficiaries by introducing self-employed persons and young people and
- finance incentives for setting up own businesses.

At the same time, Parliament stressed that, in accordance with the EGF Regulation, it must be ensured that the EGF supports the reintegration of individual redundant workers into **durable, long-term employment.**

Lastly, it reiterated 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.