Mobilisation of the European Globalisation Adjustment Fund: redundancies in the metal products sector in Spain

2014/2064(BUD) - 21/10/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 589 votes to 72, with 10 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, to the amount of **EUR 1 019 184** in commitment and payment appropriations in order to assist Spain following redundancies in the metal products sector.

Parliament recalled that the 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.

Spanish application: Spain submitted its application for a financial contribution from the EGF, following 633 redundancies in 142 enterprises operating in the manufacture of fabricated metal products in Spain with 300 workers targeted for EGF co-funded measures, during the reference period from 1 April 2013 to 31 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. Therefore, **Spain is entitled to a financial contribution under that Regulation.** Parliament also welcomed the speedy evaluation by the Commission of less than five months. It 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 20 June 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament stressed that the 633 redundancies will further aggravate the unemployment situation in Comunidad Valenciana which is particularly fragile, since the metal sector represents 25.4% of the jobs in the industrial sector in the region. It stressed that employment in the region has been seriously affected by the impact of the crisis on traditional sectors such as ceramics, footwear and construction, as well as textiles, which are very important for the region's economy.

It welcomed the fact that the personalised services for redundant workers will be co-funded by the Generalitat Valenciana (the autonomous government of Comunidad Valenciana) and in particular from the SERVEF (public labour offices of the autonomous government) with 30% of the total budget and by the employers' association Federación Empresarial Metalúrgica Valenciana-FEMEVAL and the trade unions UGT-PV and CCOO-PV with 10% of the total budget.

Coordinated package of personalised services: Parliament stated that the coordinated package of personalised services to be co-funded shall include measures for workers made redundant such as occupational guidance, job placement, trainings (including, on-the-job training), incentive for setting up a business, job-search allowance, contribution to commuting expenses and employment incentive.

It expected 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**. It noted the amount of EUR 3 000 to be granted to an expected 20 beneficiaries, to incentivise their return to the labour market by setting up their own business. Parliament also noted that the estimated cost of the welcome and information sessions, as a first measure in the list of proposed actions, has elevated by 50% compared to an application from the same region from the previous year.

In parallel, Parliament noted that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on complementarity with actions funded by the Structural Funds. It stressed that Spanish authorities confirm that the eligible actions do not receive assistance from other Union financial instruments. At the same time, 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 appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated release of grants. It noted that the Commission finalised the assessment of the application's compliance with the conditions for providing a financial contribution within 12 weeks of the receipt of the complete application.

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**; and will not furthermore replace actions which are the responsibility of companies by virtue of national law or collective agreements.

Parliament welcomed the adoption of the EGF Regulation which reflects the agreement reached between the Parliament and the Council 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 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.

Lastly, it recalled that in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should be compatible with the shift towards a resource-efficient and sustainable economy.