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*Committee on Employment and Social Affairs  
The Chairwoman*

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ES/sg  
D(2009)56200

M. Alain Lamassoure  
President of the Committee on budgets  
ASP 13E158

**Subject: Opinion on the mobilisation of the European Globalisation Adjustment Fund (EGF) for the cases EGF/2009/007 SE/Volvo, EGF/2009/009 AT/Steiermark and EGF/2009/011 NL/Heijmans (COM(2009)515602 final/2)**

Dear Mr Lamassoure,

The EMPL Working Group on the EGF examined the mobilisation of the EGF for the cases EGF/2009/007 SE/Volvo, EGF/2009/009 AT/Steiermark and EGF/2009/011 NL/Heijmans on 3 November 2009.

Following this thorough examination, the following opinion was adopted by a Written Procedure to allow the timely adoption within the six-week period according to Art. 24§4 of the Financial Regulation:

**General remark**

The EMPL committee would like to reiterate that the possibility to group proposals for decision on the mobilisation of the fund together into batches (Art. 12§3) puts into jeopardy the right of the budgetary authority to examine each application on the basis of its own merits.

- Therefore, EMPL asks again the Commission to submit from now on the proposals to authorise appropriations and the requests for the transfer of the amount to the EGF budget line separately for every single application.

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## **Effects of the financial and economic crisis on the automotive industry**

Two of the cases at hand concern redundancies of the automotive sector. Hence, the EMPL committee

1. Is particularly worried about the impact of the financial and economic crisis on this important European sector; points however to the fact that the automotive sector is not only suffering due to financial crisis and globalisation adjustment but also due to lack of willingness of the management to adapt to current challenges stemming from consumer needs as well as environmental impact;
2. Underlines, therefore, that the Commission in its Communication "Responding to the crisis in the European automotive industry" has presented an integrated approach to address structural problems by making the sector more competitive and more in tune with the needs of the future, of which EGF measures are only a part;
3. Deplores the lack of coordination of measures aimed at supporting this sector in the different national recovery plans

### **EGF/2009/007 SE/Volvo**

EMPL and its Working Group on the EGF are in favour of the mobilisation of the Fund concerning the Swedish request. Nevertheless, the EMPL committee presents some remarks without, however, putting into question the transfer of the payments.

The deliberations of the EMPL Committee are based on the following consideration:

- Whereas no detailed information is available on the participation of the ESF in the case at hand.
- Whereas out of 4.687 redundancies only those 1.500 workers who are most in need of assistance will be able to profit from the EGF contribution and whereas this group is not described any further;
- Whereas 1000 redundancies in the automotive sector are estimated to entail more than 1600 additional job losses in other sectors;

Therefore, EMPL calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution concerning the Swedish case:

1. Welcomes the implementation of the "generation change" making sure that younger workers are coached by older workers so as to provide for valuable skills being passed down to the next generation while the older generation is still in place and available to do the training, coaching and mentoring;
2. Notes that to complete the overall picture, Sweden should provide additional information on the measures put in place for those workers made redundant in the business and trade sectors, transport, construction, private services and haulage as well as in the R&D sector following the job losses in the automotive industry.

3. Would be interested to have more clarity on the approach of the Swedish authorities who will strive to make sure that a potential new employer of a potential business is already in place when the worker starts the package of tailor-made measures which seems to create a conditionality that could restrict the access of workers to assistance financed by the EGF considerably  
EGF/2009/009 AT/Steiermark.

EMPL and its Working Group on the EGF are in favour of the mobilisation of the EGF concerning the Austrian request. Nevertheless, the EMPL committee presents some remarks without, however, putting into question the transfer of the payments.

The deliberations of the EMPL committee are based on the following considerations:

- Whereas, in this case, the measures financed by the EGF complement those measures supported by the ESF of which no detailed information is available;
- Whereas 80% of the costs for the personalised services are foreseen for 4 different kinds of allowances;

Therefore, EMPL calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution concerning the Austrian case:

1. Asks the Commission to provide the evidence requested by the EGF regulation that the criteria of Art. 6 are met;
2. Express its concern about the mismatch between the amount of the allowances, which should be considered as passive labour market measures, and the costs of the training measures.
3. Points out that a grant of 6500 Euro for each unemployed worker has been requested by Volvo Sweden, whereas in the Austrian case 14,300 Euro per job seeker has been requested. Expects therefore from the Commission a more exact examination of the proportionality of the costs of the requested measures.
4. Underlines that the financial envelope of the EGF allows for the support of high quality training measures in general and urges the Member States to make the best use of this opportunity in this time of crisis to step up the skills level of their workforce, a precondition to meet the challenges of globalisation.

#### **EGF/2009/011 NL/Heijmans**

EMPL and its Working Group on the EGF are in favour of the mobilisation of the EGF concerning the Dutch request.

In this respect, the EMPL Committee presents some remarks without, however, putting into question the transfer of the payments.

- Whereas there is no information on the impact of the crisis on the branches of the Heijmans Company in Belgium, Germany and the United Kingdom;
- Whereas, according to the EGF Regulation, in exceptional circumstances, Member

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States may submit joint requests for assistance from EGF;

- Whereas more than 400 additional job losses occurred at Heijmans N.V., mostly affecting workers with fixed-term contracts which are not included in the application;

Therefore, EMPL calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution concerning the Dutch case:

1. Welcomes the approach that additional collective measures financed by the EGF are put in place to supplement measures of individual assistance already undertaken by the Dutch authorities;
2. Would be interested to receive clarification on measures taken to help workers, mostly with fixed-term contracts, who lost their jobs in Heijmans N.V. but were not included in the application;
3. Reiterates the necessity of making sure that the financial assistance from the EGF does not replace measures which are the responsibility of companies, in particular in cases such as the one at hand, where the application was largely prepared by companies dismissing workers themselves.
4. Invites Member States that find themselves in a situation where job losses occur in two or more of them, similar to that of Heijmans N.V., to use the possibility of submitting joint requests for assistance from EGF as provided by the Regulation.
5. Points out that the company's change of strategy has played a part in contributing to the job losses of employees. (Amendment of EPP)

#### **Remarks on all applications:**

1. Reminds the Commission that Art. 12§4 of the Regulation asks for "evidence that the criteria laid down in Art. 2 and 6 are met". In this respect, Members are not satisfied with the simple confirmation of the respective authorities that the proposed measures complement other actions co-financed by the Structural Funds.
2. Recalls its request for more detailed information in the applications on the implementation of equality between men and women and non-discrimination in the framework of the EGF.

Yours sincerely,

Pervenche Berès