



EUROPEAN PARLIAMENT

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*Committee on Employment and Social Affairs
The Chairwoman*

ES/sg
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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 case EGF/2009/013 DE/Karmann (COM(2010)7 final)

Dear Mr Lamassoure,

The Committee on Employment and Social Affairs (EMPL) as well as its Working Group on the EGF examined the mobilisation of the EGF for the case EGF/2009/013 DE/Karmann and adopted the following opinion.

The EMPL committee and the Working Group on the EGF are in favour of the mobilisation of the Fund concerning this request. In this respect, 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:

- having regard to recital 2 of the EGF regulation stating that the "negative effects of globalisation should be tackled in the first instance by a long term, sustainable Community strategy for trade policy aimed at high social and ecological standards";
- a) Whereas, however, there is a lack of coordination of different policies affecting European producing industries, and, consequently, of the measures aimed at supporting the sectors concerned in the different national recovery plans.
- b) Whereas in this situation the EGF can only mitigate in a passive way the effects of globalisation and of the financial and economic crisis on the workers of these sectors while a more consistent and proactive approach of job creation and

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training on the job is needed.

- c) Whereas EMPL raised already concerns in former opinions (EGF/2009/007 SE/Volvo and EGF 2009/009 AT/Steiermark) with regard to the impact of the financial and economic crisis on the European automotive sector which is not only suffering due to the financial crisis and globalisation adjustments but also because of a lack of willingness of the management to adapt to current challenges stemming from consumer needs as well as environmental impact. And, calls upon all stakeholders to take care that the take over by the Volkswagen Group will have a positive effect on the employment situation of the company Karmann.
- d) Whereas the financial envelope of the EGF allows for tailor-made high quality training measures to be offered and gives the Member States the opportunity to promote the skills level of their workforce geared at the development of qualifications which are compatible with a structural shift towards a sustainable green economy, improving employability and meeting the challenges of globalisation.
- e) Whereas the dissatisfaction with the approach to comply with Article 12,4 of the EGF regulation persists after the Commission's reply on the remarks of EMPL on the applications EGF/2009/007 SE/Volvo, EGF/2009/009 AT/Steiermark and EGF/2009/011 NL/Heijmans stating that "it is in the nature of Shared Management (Article 4 EGF Regulation, Article 53 Financial Regulation and Article 42 Implementing Rules) that implementation is carried out by the Member State and that correct implementation is verified by the Commission by means of on-the-spot checks and audits, financial corrections and recoveries (and that) at the application stage, the correctness of the implementation cannot yet be verified".
- f) Whereas, independently of these financial aspects, the EMPL committee needs to be fully informed about how the Member States make use of the EGF with a view to the future development of the fund and is, therefore, in need of comprehensive information about the complementarity of EGF and ESF in particular and other Structural Funds in general;

Therefore, the Committee on Employment and Social Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution concerning the German application:

- 1) Welcomes that the time of unemployment will be used by the German authorities for a broad upgrading of skills levels, not only with regard to vocational training and higher education but also allow migrant and low-skilled workers to achieve basic skills to enhance their employability;
- 2) Particularly welcomes the initiative to cooperate with EURES and to enhance the cross border mobility of workers; underlines, however, that working or setting up a business in another country requires not only a good preparation but also the possibility for coaching during the first period in the new position and, possibly, also a fall back option; asks, therefore, the Commission to pay special attention to the outcome of these projects and to comment on them in the annual report;

- 3) Underlines that the measures co-financed by the EGF should generate added value with regard to those activities already put in place by the Member States and with the support of other Structural Funds to enhance the reintegration of workers into the labour market.
- 4) Asks the Commission to inform the EP if the spending in the framework of the EGF receives particular attention by the Commission with regard to its special procedure and requests a report on the outcomes of the audits of the EGF applications of 2007 and 2008.
- 5) Asks the Commission to include into their annual reports comprehensive information about the complementarity of the EGF with the measures supported by other Structural Funds and including information about the administrative structures put in place in the Member States to manage the compliance with Article 6 of the EGF regulation.
- 6) Stresses that, apart from a good financial management, it is important to have well established coordination structures, especially when many stakeholders are involved.

Yours sincerely,

Pervenche Berès