



EUROPEAN PARLIAMENT

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*Committee on Employment and Social Affairs
The Chairwoman*

ES/sg
D(2010)9777

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/2009/017 LT/Construction of buildings (COM(2010)9 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/2009/017 LT/Construction of buildings 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:

- a) Whereas the 1.612 redundancies are related to the same event, the financial and economic crisis, resulting in a rapid decline of construction demand and activity and a severe reduction of the industry's access to financial credits
- b) Whereas mostly men belonging to the age group 25 to 54 years as well as to the category of "craft and related trade workers" are concerned by the dismissals.
- c) Whereas these redundancies occur at a time when the unemployment rate of Lithuania increased from 6,4% to 14.6 between the third quarters of 2008 and

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United in diversity

2009, according to Eurostat¹.

- d) Whereas the financial and economic crisis has affected several sectors of the Lithuanian economy (four EGF cases in four different sectors in 2009²) and has brought the European Commission to postpone the deadline for the correction of the excessive deficit of Lithuania to 2012.
- e) Whereas no information is available on possible complementary measures co-financed by the ESF to enhance the necessary recovery of the Lithuanian employment market.
- f) Whereas the EMPL committee is still not satisfied with the approach to comply with Article 12,4 of the EGF regulation as already underlined in previous opinions.
- g) Whereas, independently of 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 Lithuanian application:

1. Notes that the financial envelope of the EGF for 2009 still comprises 446 960 953 Euros after deduction of the amounts already accepted and already proposed for commitment.
2. Reminds that the EGF was put in place as an instrument "through which the Community could show its solidarity towards workers affected by redundancies resulting from changes in world trade pattern"³ and, since 1 May 2009, also from the financial and economic crisis.
3. Reiterates therefore the call upon the Member States to use the time of unemployment for training and retraining of workers dismissed due to the financial and economic crisis for which the EGF provides yearly enough funds with a view to meet the challenges of globalisation and of a CO2 reduced and knowledge based European economy.
4. Regrets, therefore, that the measures in favour of the redundant workers were only available as from 1 October 2009 as some workers already lost their job in October 2008; is afraid that this could be one reason why only 50% of the redundant workers could be included in the package of personalised services.
5. Regrets also that there is some evidence that the Lithuanian government did not tap the full potential of the EGF to overcome the effects of the economic and financial crisis.

¹ eurostat, newsrelease, euroindicators, 5/2010 - 8 January 2010

² EGF/2009/010 and EGF/2009/016-018

³ EGF regulation 1927/2006, recital 1 and Article 1 of the amending EGF regulation 546/2009

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6. Welcomes the measures put in place in favour of a better reconciliation of working and family life and its systematic inclusion also in applications where the majority of workers concerned are men;
7. Encourages the Lithuanian authorities and social partners to make further use of this economic transition period to put in place additional strategies aiming at erasing inequalities between women and men in the labour market.
8. Reiterates its call upon the European Commission to include in their annual report not only detailed information about the compliance of Member States' implementation of the EGF assistance with regard to Article 7 of the EGF regulation but also an analysis of which measures promoted especially the equality of men and women with regard to the integration in the labour market.
9. Calls upon the Member States and the Commission to establish a list of those measures put in place with the assistance of the EGF which were most successful in reintegrating workers in times of high and increasing unemployment.
10. Underlines that job incentives and outplacement assistance are highly disputed measures; asks, therefore, the Commission to pay special attention to the experiences made with these measures in the framework of the EGF assistance and to report back to the European Parliament as soon as possible.
11. 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.
12. 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.

Yours sincerely,

Pervenche Berès