Mobilisation of the European Globalisation Adjustment Fund: Application EGF/2011/008 DK/Odense Steel Shipyard, Denmark


The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2012)0272 – C7-0131/2012),

– having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (IIA of 17 May 2006), and in particular point 28 thereof,


– having regard to the trilogue procedure provided for in point 28 of the IIA of 17 May 2006,

– having regard to the letter of the Committee on Employment and Social Affairs,

– having regard to the report of the Committee on Budgets (A7-0232/2012),

A. whereas the European Union has set up the appropriate 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;

B. whereas the scope of the EGF was broadened for applications submitted from 1 May 2009 to include support for workers made redundant as a direct result of the global financial and economic crisis;

C. whereas the Union’s financial assistance to workers made redundant should be dynamic and made available as quickly and efficiently as possible, in accordance with the Joint Declaration of the European Parliament, the Council and the Commission adopted during the conciliation meeting on 17 July 2008, and having due regard for the IIA of 17 May 2006 in respect of the adoption of decisions to mobilise the EGF;

D. whereas Denmark has requested assistance for 981 redundancies, of which 550 are targeted

for assistance, in the Odense Steel Shipyard primary enterprise and in four suppliers and downstream producers in Denmark, within a four-month reference period;

E. whereas the application fulfils the eligibility criteria laid down by the EGF Regulation;

1. Agrees with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met and that, therefore, Denmark is entitled to a financial contribution under that Regulation;

2. Notes that the Danish authorities submitted the application for EGF financial contribution on 28 October 2011 and that its assessment was made available by the Commission on 6 June 2012; urges the Commission to speed up the evaluation process, in particular in case of applications targeting sectors where EGF has already been deployed on several occasions;

3. Notes that the direct losses at Odense Steel Shipyard covered by the two EGF applications (this one and EGF/2010/025 DK/Odense Steel Shipyard\(^1\)) amount to around 2 % of the local workforce, and, together with indirect job losses, the shipyard closure is regarded as a major crisis in the regional economy;

4. Notes that the Danish authorities have indicated that, in their assessment, only 550 of 981 workers dismissed would choose to participate in the measures, while others would either decide to retire or would find new employment themselves; calls on the Danish authorities to use the EGF support to its full potential;

5. Notes that the shipbuilding workforce in Europe, in accordance with the Community of European Shipyards' Associations (CESA) annual report for 2010-2011\(^2\), has declined by 23 % over the past three years, from 148 792 workers in 2007 to 114 491 workers in 2010; and that EGF assistance has already been mobilised in three cases in the shipbuilding sector over the past three years (EGF/2010/001 DK/Nordjylland\(^3\), EGF/2010/006 PL/H. Cegielski-Poznan\(^4\) and EGF/2010/025 DK/Odense Steel Shipyard);

6. Welcomes the fact that the municipalities of Odense and Kerteminde, which are heavily affected by the dismissals in the Odense Steel Shipyard, were closely involved in the application, which is a part of a strategy for new growth opportunities in the region formulated by a consortium of local, regional and national stakeholders following the announcement of the closure of the shipyard in 2009;

7. Welcomes the fact that, in order to provide workers with speedy assistance, the Danish authorities decided to start the implementation of the measures ahead of the final decision on granting the EGF support for the proposed coordinated package;

8. Notes that the Danish authorities propose a relatively expensive coordinated package of personalised services (EUR 11 737 of EGF support per worker); welcomes, however, the fact that the package consists of measures that are additional and innovative compared to

\(^{1}\) OJ L 195, 27.7.2011, p. 52.


\(^{3}\) OJ L 286, 4.11.2010, p. 18.

those offered regularly by the employment agencies and which are adapted to assist highly skilled workers in a difficult employment market;

9. Recalls the importance of improving the employability of all workers by means of tailored training and recognition of skills and competences gained throughout the professional career; expects the training on offer in the coordinated package to be tailored not only to the needs of the dismissed workers but also of the actual business environment;

10. Notes that the target group of workers is already highly skilled, but in a field in which the outlook for future employment looks bleak; therefore, the measures proposed for them will be more costly than would be the case for other workers in mass layoffs, which often concern people with relatively low skills;

11. Welcomes the fact that the coordinated package of personalised services also offers incentives and courses to start a new business which are foreseen for ten workers (including one start-up loan of EUR 26 000);

12. Welcomes the fact that a consortium of local, regional and national stakeholders has discussed and formulated a strategy for new growth opportunities in the Odense region, and that this strategy is guiding the choice of re-training measures in the application;

13. Notes, however, the proposed subsistence allowance of EUR 103 per worker per day of active involvement and that the amount foreseen for those allowances represents more than one-third of the total cost of the package; recalls that that EGF support should primarily be allocated to job search and training programmes rather than contributing directly to financial allowances, which are the responsibility of Member States by virtue of the national law;

14. Welcomes the emphasis on new areas of potential growth and development in the regional economy such as energy technology, robotics and welfare technology, which are in line with both Lisbon goals of strong European competitiveness and Europe 2020 goals of smart, inclusive and sustainable growth;

15. Welcomes the fact that the EGF support in this case is coordinated by a newly set-up EGF Secretariat under the Odense Municipality and that a dedicated website was established and two conferences are planned to promote the outcome of the two EGF applications;

16. Requests the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements to accelerate the mobilisation of the EGF; appreciates the improved procedure put in place by the Commission, following Parliament's request for accelerating the 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; hopes that further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund (2014–2020) and that greater efficiency, transparency and visibility of the EGF will be achieved;

17. Recalls the institutions’ commitment to ensuring a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF, providing one-off, time-limited individual support geared to helping workers who have been made redundant as a result of globalisation and the financial and economic crisis; emphasises the role that the EGF can play in the reintegration of workers made redundant into the labour market;
18. Deplores the fact that, despite several successful Danish mobilisations of the EGF under both the trade-related and the crisis-related criteria, Denmark is among those countries undermining the future of the EGF after 2013, blocking the extension of the crisis derogation and decreasing the financial allocation to the Commission for technical assistance for the EGF for 2012;

19. Stresses that, in accordance with Article 6 of the EGF Regulation, it should be ensured that the EGF supports the reintegration of individual redundant workers into employment; further stresses that the EGF assistance can co-finance only active labour market measures which lead to long-term employment; reiterates that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements, or measures restructuring companies or sectors; deplores the fact that the EGF might provide an incentive for companies to replace their contractual workforce with a more flexible and short-term one;

20. Notes that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on their complementarity with actions funded by the Structural Funds; reiterates 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;

21. Welcomes the fact that following repeated requests from Parliament, the 2012 budget shows payment appropriations of EUR 50 000 000 on the EGF budget line 04 05 01; recalls that the EGF was created as a separate specific instrument with its own objectives and deadlines and therefore deserves a dedicated allocation, which will avoid transfers from other budget lines, as happened in the past, which could be detrimental to the achievement of the policy objectives of the EGF;

22. Regrets the decision of the Council to block the extension of the "crisis derogation", which allows provision of financial assistance to workers made redundant as a result of the current financial and economic crisis in addition to those losing their job because of changes in global trade patterns, and which allows an increase in the rate of Union co-financing to 65 % of the programme costs, for applications submitted after the 31 December 2011 deadline, and calls on the Council to reintroduce this measure without delay;

23. Approves the decision annexed to this resolution;

24. Instructs its President to sign the decision with the President of the Council and to arrange for its publication in the *Official Journal of the European Union*;

25. Instructs its President to forward this resolution, including its annex, to the Council and the Commission.
ANNEX

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund in accordance with point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (application EGF/2011/008 DK/Odense Steel Shipyards from Denmark)

(The text of this annex is not reproduced here since it corresponds to the final act, Decision 2012/537/EU.)