Mobilisation of the European Globalisation Adjustment Fund: Application EGF/2011/017 ES/Aragón Construction, Spain


The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2012)0290 – C7-0150/2012),

– 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\(^1\) (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 (A7-0233/2012),

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 Spain has requested assistance for 836 redundancies, 320 of which are targeted for

\(^1\) OJ C 139, 14.6.2006, p. 1.
assistance, in 377 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings')¹ in the NUTS II region of Aragón (ES24) in Spain;

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(b) of the EGF Regulation are met and that, therefore, Spain is entitled to a financial contribution under that Regulation;

2. Notes that the Spanish authorities submitted the application for EGF financial contribution on 28 December 2011 and that its assessment was made available by the Commission on 18 June 2012; welcomes the fact that the evaluation process and submission of additional information by Spain were speedy and accurate;

3. Notes that unemployment has increased dramatically in Aragón, and that, by the end of 2011, the number of workers registered in the public labour offices was close to 100 000, of which 15 % were workers made redundant in the construction sector;

4. Notes that the region of Aragón has been hard hit in the past by mass dismissals and welcomes the fact that the region has decided to use the EGF support to address those redundancies; Spain has submitted two EGF applications for the Aragón region before: EGF/2008/004 ES Castilla y León & Aragón (1 082 redundancies in the automotive industry of which 594 occurred in Aragón)² and EGF/2010/016 ES Aragón retail (1 154 redundancies in the retail sector)³; welcomes the fact that the region is building on the experience with the EGF and quickly assists workers in several sectors; firmly believes that the anticipated EGF assistance can further contribute to preventing the risk of depopulation in the region of Aragón (currently comprising between 3 and 54 inhabitants per km²) by effectively encouraging the population to remain in this territory;

5. Notes that the Spanish authorities inform that in their assessment based on the experience with previous EGF applications, only 320 of the workers targeted for the EGF support will choose to participate in the measures; calls on the Spanish authorities to use the EGF support to its full potential;

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

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

8. Welcomes the fact that the relevant social partners were consulted on the application for the


EGF assistance and on the contents of the package of personalised services to be provided to the workers in order to improve the match between the demand and supply in the labour market;

9. Welcomes in particular the training course which had been designed to match the identified needs of local enterprises which will in turn undertake to employ some of the workers participating in this action;

10. Highlights the fact that lessons should be learned from the preparation and implementation of this and other applications addressing mass dismissals in a high number of small and medium enterprises (SMEs) in one sector, in particular, in terms of the eligibility of self-employed and owners of the SMEs for EGF support in the future regulation and the arrangements used by the regions and the Member States to quickly come up with sectoral applications covering a large number of enterprises;

11. Notes that the measures supporting entrepreneurship are foreseen for only 20 workers; hopes that the Spanish authorities will promote entrepreneurship and be able to adapt the coordinated package of services in the event of increased interest in this kind of measures;

12. 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;

13. Notes that the coordinated package foresees several participation incentives to encourage participation in the measures: job search allowance of EUR 300 (lump sum), outplacement allowance of EUR 200 and EUR 400 for self-employed per month for a maximum of three months; recalls that the EGF support should be primarily allocated to training and job search as well as training programs instead of contributing directly to unemployment benefits which are the responsibility of national institutions;

14. 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;

15. Notes that the case at hand reflects the social and economic landscape of the specific region which could in the future be addressed by extending the scope of the EGF to self-employed workers (as proposed by the Commission in the proposal for the EGF 2014-2020);

16. 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 durable, 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;

17. 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;

18. 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;

19. Regrets the decision of the Council to block the extension of the "crisis derogation", allowing to provide 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 allowing the 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;

20. Approves the decision annexed to this resolution;

21. 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;

22. 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/2011/017 ES/Aragón Construction from Spain)

(The text of this annex is not reproduced here since it corresponds to the final act, Decision 2012/536/EU.)