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*Committee on Employment and Social Affairs
The Chairwoman*

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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/2011/017 ES/Aragón construction from Spain (COM(2012)290 final)

Dear Chair,

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/2011/017 ES/Aragón construction** 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 this application is based on Article 2b) of the EGF regulation and targets for support 320 workers of the total of 836 workers dismissed in 377 enterprises operating in the NACE Revision 2 Division 41 ("Construction of buildings") within the reference period between 31 January 2011 and 31 October 2011 in the NUTS II region of Aragón (ES24);
- B) Whereas the Spanish authorities argue that the redundancies were caused by the global financial and economic crises that hit Spain and affected seriously its construction sector;
- C) Whereas in result of the crisis, the loans for the construction sector and to individuals have been dramatically cut and the demand for new housing declined, which is reflected in the decline in the building permits of more than 75% in 2009 and by 80% in 2010 compared with 2007;

- D) Whereas the Commission already recognised in its Economic and Recovery Plan that the EU construction sector has been drastically affected by the crisis; whereas the EGF has already intervened in five cases¹ of dismissals in the construction industries;
- E) Whereas 83,6 % of the workers targeted by the measures are men and 16,4 % are women; whereas 80,5 % of the workers are between 24 and 54 years old and 15% of workers are younger than 24 years;
- F) Whereas the occupational structure of the dismissed labour force is diverse and 64,2% of workers is highly-qualified (including super-specialised workers);

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

1. Agrees with the Commission that the conditions set out in Article 2 b) of the EGF regulation (1927/2006) are met and that, therefore, Spain is entitled to a financial contribution under this 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 European Commission on 18 June 2012; welcomes the relatively speedy evaluation process;
3. Notes that the employment situation in the region is difficult as the unemployment rates doubled in the period 2008-2011 and that the region is suffering from depopulation; welcomes the fact that EGF is seen as an efficient tool to support local labour markets and that the region already applied for the EGF support (EGF/2008/004 ES Castilla y León & Aragón automotive and EGF/2010/016 ES Aragón retail);
4. 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;
5. Welcomes the fact that in order to provide workers with speedy assistance, the Spanish authorities decided to start the implementation of the measures on 28 December 2011 well ahead of the final decision on granting the EGF support for the proposed coordinated package;
6. Welcomes the fact that the regional authorities engage in dialogue with the social partners in order to improve the match between the demand and supply in the labour market and that the coordinated package of personalised services has been discussed and developed with the social partners;

¹ EGF/2009/017 LT/Construction of buildings: SEC(2010) 021

EGF/2010/019 IE/Construction 41: COM(2011) 617

EGF/2011/002 IT/Trentino-Alto Adige/Südtirol Construction: COM(2011) 480

EGF/2011/006 ES/Comunidad Valenciana Construction: COM(2012) 053.

7. Welcomes in particular the training course which was designed to match the identified needs of local enterprises, which will in turn undertake to employ some of the workers participating in this action;
8. Regrets that the measures supporting entrepreneurship are foreseen only for 20 workers; hopes that the Spanish authorities will promote entrepreneurship and be able to adapt the coordinated package of services in case of increased interest in this kind of measures;
9. 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;
10. 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).

Yours sincerely,



Pervenche Berès