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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/2011/020 ES/Comunidad Valenciana Footwear from Spain (COM(2012)204 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/2011/020 ES/Comunidad Valenciana Footwear from Spain** 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 350 workers of the total of 876 workers dismissed in 146 enterprises operating in the NACE Revision 2 Division 15 ("Manufacture of leather and related products") within the reference period between 25 January 2011 and 25 October 2011 in the NUTS II region of Comunidad Valenciana (ES52).
- B) Whereas the Spanish authorities argue that the redundancies were caused by the radical change in the distribution of footwear production and relocation of manufacturing to third countries, in particular China, India, Vietnam and Indonesia;

- C) Whereas the increases in imports and decreases in exports of the footwear from the EU caused bankruptcies in the sector across the EU and resulted in 78,800 jobs lost in the period 2005-2008;
- D) Whereas the Spanish authorities argue that this trend aggravated in Spain and between 2006-2010 the number of footwear producers decreased by almost 36% resulting in almost 32% drop in footwear-related employment (10 663 jobs were lost);
- E) Whereas the Spanish authorities argue that the financial and economic crisis further weakened the condition of the sector in Spain and in particular in Comunidad Valenciana, where 188 footwear manufacturers closed down (the sector contracted by 16.6%) in 2010;
- F) Whereas 53 % of the workers targeted by the measures are men and 47 % are women; whereas 87 % of the workers are between 25 and 54 years old and 7.5% of workers are older than 54 years;
- G) Whereas 52% of the dismissed workers were craft and related trade workers and further 42 % carried out elementary occupations;
- H) Whereas 41% of the dismissed workers has only basic education and 48% of the workers is defined as uneducated or early school leavers;

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 4 May 2012; welcomes the fact that the evaluation process and submission of additional information by the Member State were speedy and accurate;
3. Notes that the footwear sector represented 26% of the total employment in the region of Valenciana and therefore was an important contributor to local economy, which is dominated by small and medium-sized enterprises in traditional sectors like textile, shoes and ceramics;
4. Notes that the region of Valenciana has been hit in the past by four mass dismissals and welcomes the fact that the region decided to use the EGF support to address those redundancies: EGF/2009/014 ES/Valencia - Ceramic industry, EGF/2010/005 ES/Valencia - Stone marble, EGF/2010/009 ES/Valencia - Textile sector, EGF/2011/006 ES/Valenciana - Construction sector; welcomes the fact that the region builds on the experience with the EGF and quickly assists workers in several sectors;
5. Notes that the Spanish authorities inform that in their assessment based on the experience with previous applications, only 350 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. Notes that the educational background of the dismissed workers is rather poor and recalls the importance of improving the employability of such workers by means of adapted training and recognition of skills and competences gained through out the professional career; expects that the training on offer in the coordinated package is adapted to the level and needs of the dismissed workers;
8. Notes that the training measures target high-added value jobs in the footwear sector, which according to the Spanish authorities are unlikely to relocate, as well as jobs in sectors, which offer prospects for growth in short or medium-term;
9. Welcomes the fact that the social partners were consulted on the contents of the coordinated package, allocation of roles and distribution and scheduling of tasks;
10. Highlights that lessons should be learnt from the preparation and implementation of this and other applications addressing mass dismissals in a high number of 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 come up quickly with sectoral applications covering a large number of enterprises.

Yours sincerely,



Pervenche Berès