



EUROPEAN PARLIAMENT

2009 - 2014

*Committee on Employment and Social Affairs
The Chairwoman*

EK/jm
D(2012)13066
305198 21.03.2012

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/2011/006 ES/Comunidad Valenciana Construction of buildings from Spain (COM(2012)53 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/2011/006 ES/Comunidad Valenciana 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 this application is based on Article 2b) of the EGF regulation and targets for support 1 138 workers of the total of 1 138 workers dismissed in 513 enterprises operating in the NACE Revision 2 Division 41 ("Construction of buildings") within the reference period between 25 July 2010 and 25 April 2011 in the NUTS II region of Comunidad Valenciana (ES52).
- 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 to 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 several cases of dismissals in the construction industries;
- E) Whereas 82 % of the workers targeted by the measures are men and 18 % are women; whereas 79 % of the workers are between 25 and 54 years old and 17% of workers are older than 54 years;
- F) Whereas the occupational structure of the dismissed labour force is diverse and among others consists of 43% of specialised craft workers, 17% of craft worker assistants and 9% of elementary occupations;
- G) Whereas 74% of the dismissed workers has only basic education, 10% finished upper secondary education, further 11% is graduated from tertiary education and 5% of the workers is defined as uneducated;

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 1 July 2011 and that its assessment was made available by the European Commission on 15 February 2012; regrets the lengthy evaluation period;
3. Notes that the EGF has already supported workers made redundant in the construction sector: EGF/2009/017 LT/Construction of buildings, EGF/2010/019 IE/Construction 41, EGF/2011/002 IT/Trentino-Alto Adige/Südtirol Construction;
4. Notes that the construction sector was an important contributor to Spanish GDP and that the current contraction in its activity has also serious secondary effects on the other sectors of the Spanish economy; notes that in this particular region the decline in construction will affect the ceramic sector and services sector linked to construction, which are important sources of employment in the region;
5. Notes that the employment situation in the region is difficult as the unemployment rates soared by 309% compared to the pre-crisis year 2007 and that the region already applied for the EGF support and is implementing coordinated packages in the textile, ceramic and natural stone sectors

(Applications EGF/2009/0014 ES/Comunidad Valenciana; EGF/2010/005 ES/Comunidad Valenciana and EGF/2010/009 ES/Comunidad Valenciana)

6. Notes that the Spanish authorities inform that in their assessment based on the experience with previous EGF applications, only 400 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;
7. Notes 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;
8. Welcomes the fact that the coordinated package includes a module "Monitor on equal opportunities" to ensure that no personal or family barriers prevent the targeted workers from accessing the measures; recalls its concerns regarding the respect of article 7 of the regulation 1927/2009 in the past applications; expects that the practice of developing a specific measure supporting equal opportunities will be disseminated among Member States and included in the future EGF applications;
9. Notes that the coordinated package foresees "Participation incentive", which amounts to 400 euro per worker (lump sum) to encourage participation in the measures; notes that this financial incentive will be accompanied by financial aid (ranging from 50 to 300 euro) covering partly the commuting expenses incurred by the workers participating in the measures;
10. Recalls that the fund 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;
11. Welcomes the fact that beside the regional government the social partners were the main stakeholders involved in the discussion on the application and that they are involved in the implementation and monitoring of the measures through the so-called "Interest Group";
12. Stresses that the Commission proposal does not mention if and how the educational establishments were involved in the design and the implementation of the coordinated package; welcomes the statement by the European Commission clarifying that the training will be offered in innovative areas within the construction sector (for example energy efficiency) and will incite establishing new businesses; inquires if the coordinated package co-financed by the EGF fits in the regional economic and employment strategy and addresses the needs of the local labour market; suggests that the future investments towards the economic recovery of the region, including the use of European funds, are oriented also towards more value-added and sustainable business activities;
13. Considers that the current situation is also partly consequence of a previous excessive¹ building activity in the region of Comunidad Valenciana involving legal entities from Spain and other EU Member States;

¹ P6_TA(2009)0192

14. Notes that the case at hand typically 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,

P. Berès

Pervenche Berès