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Committee on International Trade

2006/0033(COD)

12.9.2006

OPINION

of the Committee on International Trade

for the Committee on Employment and Social Affairs

on the proposal for a regulation of the European Parliament and of the Council
establishing the European Globalisation adjustment Fund
(COM(2006)0091 – C6-0082/2006 – 2006/0033(COD))

Draftsman: Giulietto Chiesa

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SHORT JUSTIFICATION

The Committee on International Trade gives a qualified welcome to the draft regulation establishing the European Globalisation adjustment Fund.

The social effects of globalisation have been underestimated by the Commission, which has long preferred to highlight its benefits, while simultaneously keeping silent about its drawbacks. The widespread opening up of markets undoubtedly brings benefits, but it has extremely serious social implications, especially for the most vulnerable population groups in Europe.

The European institutions and the Member States therefore need to act in concert, each in its own sphere of responsibility, in order to provide an effective and timely response to the public's legitimate expectations. Short-term policies will certainly not enable Europe, which most Europeans already feel is 'distant' and which is frequently accused of pandering to the interests of big business, to regain the prestige and popularity that it seems to have lost along the way. More needs to be done, and there must be greater emphasis on creating a social Europe based on solidarity, at the expense of the Europe of multinationals.

Having said that, your draftsman considers that the EGF also has positive aspects. Despite its obvious limitations the fund represents a first appreciable step towards a social policy designed to combat the short- and medium-term effects of globalisation. The Commission proposal is also timely because it conveys a positive message to the public. After all, the problem of globalisation doesn't just affect a single worker, a single industry or a single Member State; on the contrary: this is a European issue which has to be addressed and resolved at Community level, too, by taking an approach based on solidarity.

However, the resources made available are insufficient to cover the ambitious targets that the fund sets itself, and the number of workers which it will be possible to help (35 000 – 50 000) appears to fall short of real needs. While noting the expenditure limits imposed by the Council, your draftsman invites the Commission to undertake a social policy which will tackle the problems associated with the economic decline of a growing number of European industrial regions in depth, and not just symbolically. Your draftsman also considers that it makes sense for the Commission itself, in its final report and in the light of the positive results which may be achieved, to put forward proposals to the Council and Parliament to extend the scope of the EGF.

The Commission's working document also recognises that the victims of globalisation are to be found among those groups of workers who are naturally disadvantaged. These are women, older workers and those with limited qualifications for whom it is therefore more difficult to find new jobs on the labour market. The Commission explains that there are economic sectors which are more vulnerable to globalisation and that the concentration of industries at risk is greater in some Member States than in others. The Commission's proposed intervention criteria could be improved. They should ensure that the EGF provides limited but genuine help for the groups of workers referred to. Your draftsman therefore considers it advisable to modify them to make them more flexible, by focusing more on workers in small and medium-sized firms and on local realities.

Where the proposed amendments are concerned, these generally aim to ensure a balanced

disbursement of the aid provided for workers, taking into account the economic, social and territorial characteristics of all the Member States. A provision has also been introduced whereby, if applications exceed the funding allocated, priority will be given to the most disadvantaged regions of Europe which have been hit harder by the effects of globalisation.

Finally, your draftsman stresses the need for the Member States to keep in mind the purpose of the instrument, and in particular to ensure appropriate publicity for the EGF and for the message of solidarity that it embodies.

AMENDMENTS

The Committee on International Trade calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission¹

Amendments by Parliament

Amendment 1
Recital -1 (new)

(-1) Globalisation may have serious social effects on the economy and on employment in the European Union. The negative effects of globalisation have a major impact on the Community's less-developed regions and hit those groups of workers who are naturally disadvantaged, such as women, older workers and those with limited qualifications for whom it is therefore more difficult to find new jobs on the labour market. Some sectors are more vulnerable to globalisation, and the concentration of industries at risk is greater in some Member States than in others. There is also a mismatch between the positive impact of globalisation and its negative effects, such as job losses in regions which are already depressed.

Amendment 2
Article 2, introductory part

A financial contribution from the EGF shall

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¹ Not yet published in OJ.

be provided where major structural changes in world trade patterns lead to a serious economic disruption, notably a massive increase of imports into the EU, or **a progressive** decline of the EU market share in a given sector or a delocalisation to third countries, which results in:

be provided where major structural changes in world trade patterns lead to a serious economic disruption, notably a massive increase of imports into the EU, or **an accelerated** decline of the EU market share in a given sector or a delocalisation to third countries, which results in:

Amendment 3
Article 2, point (a)

(a) at least 1000 redundancies in an enterprise, including workers made redundant in **its** suppliers or downstream producers, **in a region** where unemployment, measured at NUTS III level, is higher than the EU or national average, or

(a) at least 1000 redundancies in an enterprise **or group of connected enterprises**, including workers made redundant in suppliers or downstream producers, where unemployment, measured at NUTS III level, is higher than the EU or national average, or

Justification

It is necessary to make a distinction between (a) the enterprise where what counts are employees and (b) the sector which is defined in terms of jobs. Furthermore, it is proposed to delete the regional localisation criterion in Article 2(a) so as to allow an interregional approach.

Amendment 4
Article 2, point (b)

(b) at least 1 000 **redundancies**, over a period of **6 months, in one or more enterprises** in a sector, measured at NACE 2 level, which represents at least 1% of regional employment measured at NUTS II level.

(b) at least 1 000 **job losses**, over a period of **12 months**, in a sector, measured at NACE 2 level, which represents at least 1% of regional employment **or a fall in regional employment of at least 10%**, measured at NUTS II level.

Justification

In Article 2(b) it is proposed to widen the scope of the regulation to sectors where regional employment has fallen by at least 10% without necessarily representing 1% of regional employment.

Amendment 5
Article 5, paragraph 2, point (b)

(b) **The** identification of the dismissing enterprises (national or multi-national); and the categories of workers to be targeted;

(b) **Detailed** identification of the dismissing enterprises (national or multi-national), and the categories of workers to be targeted; **for groups, an organisational chart shall be provided showing the links between the various entities making up the group;**

Amendment 6
Article 5, paragraph 6

6. The Commission shall ensure equal treatment of applications presented by Member States.

6. The Commission shall ensure equal treatment of applications presented by Member States. **It shall also ensure that the EGF disburses funding in a balanced manner, taking adequate account of the economic, social and territorial characteristics of all Member States.**

Amendment 7
Article 5, paragraph 6 a (new)

6a. In the event of the value of applications submitted exceeding the amount of funding available, priority shall be given to applications for areas which have been more seriously affected by changes in market conditions and where the documentation provided by the Member States shows that there are substantial difficulties with re-employing the surplus workers.

Amendment 8
Article 6, paragraph 2

2. Assistance from the EGF shall complement actions of the Member States at national, regional and local level.

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Amendment 9

Article 9

The Member State shall provide information on and publicise the funded actions. The information shall be addressed to redundant workers and the wider public. It shall highlight the role of the Community and ensure that the contribution from the EGF is visible.

The Member State shall provide **appropriate** information on and publicise the funded actions. The information shall be addressed to redundant workers and the wider public. It shall highlight the role of the Community and ensure that the contribution from the EGF is visible.

Amendment 10

Article 12, paragraph 2, subparagraph 2

On 1st July each year, at least **one quarter** of the annual maximum amount of the EGF shall remain available in order to cover needs arising *until* the end of the year.

On 1 July each year, at least **one third** of the annual maximum amount of the EGF shall remain available in order to cover needs arising *up to* the end of the year.

Amendment 11

Article 15, paragraph 1

1. No later than six months after the *expiration* of the period specified in Article 13(2), the Member State shall present a report to the Commission on the execution of the financial contribution, including information on the type of actions and main outcomes, together with a statement justifying the expenditure and indicating, whenever appropriate, the complementarity of actions with those funded by the ESF.

1. No later than six months after the *expiry* of the period specified in Article 13(2), the Member State shall present a report to the Commission on the execution of the financial contribution, including information on the type of actions and main outcomes **as well as on the number of people who have secured lasting employment as a result of contributions from the EGF**, together with a statement justifying the expenditure and indicating, whenever appropriate, the complementarity of actions with those funded by the ESF.

Amendment 12

Article 15, paragraph 1 a (new)

1a. The Commission may make recommendations designed to improve and extend the application of the EGF.

Amendment 13
Article 20, paragraph 1

On the basis of the first annual report provided for in Article 16, the European Parliament and the Council may review this Regulation, on the basis of a proposal by the Commission, to ensure that the solidarity objective of the EGF is met and that its provisions adequately take into account the economic, social and territorial characteristics of all Member States.

On the basis of the first annual report provided for in Article 16, the European Parliament and the Council may review this Regulation, on the basis of a proposal by the Commission, to ensure that the solidarity objective of the EGF is met ***and, possibly, extended,*** and that its provisions adequately take into account the economic, social and territorial characteristics of all Member States.

PROCEDURE

Title	Proposal for a regulation of the European Parliament and of the Council establishing the European Globalisation adjustment Fund
References	COM(2006)0091 – C6-0082/2006 – 2006/0033(COD)
Committee responsible	EMPL
Opinion by Date announced in plenary	INTA 16.3.2006
Enhanced cooperation – date announced in plenary	
Drafts(wo)man Date appointed	Giulietto Chiesa 21.3.2006
Previous drafts(wo)man	
Discussed in committee	30.5.2006 12.7.2006
Date adopted	12.9.2006
Result of final vote	+: 20 -: 3 0: 0
Members present for the final vote	Jean-Pierre Audy, Daniel Caspary, Giulietto Chiesa, Christofer Fjellner, Béla Glattfelder, Jacky Henin, Erika Mann, Helmuth Markov, Alain Lipietz, Caroline Lucas, Georgios Papastamkos, Godelieve Quisthoudt-Rowohl, Tokia Saïfi, Peter Šťastný, Johan Van Hecke, Daniel Varela Suanzes-Carpegna, Zbigniew Zaleski,
Substitute(s) present for the final vote	Margrietus van den Berg, Jorgo Chatzimarkakis, Robert Goebbels, Antolín Sánchez Presedo, Mauro Zani
Substitute(s) under Rule 178(2) present for the final vote	Filip Kaczmarek
Comments (available in one language only)	