EUROPEAN PARLIAMENT 2009 - 2014

Plenary sitting

20.9.2011 B7-0521/2011

MOTION FOR A RESOLUTION

to wind up the debate on the statement by the Commission

pursuant to Rule 110(2) of the Rules of Procedure

on the future of the European Globalisation Adjustment Fund

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on behalf of the Committee on Employment and Social Affairs

B7-0521/2011

European Parliament resolution on the future of the European Globalisation Adjustment Fund

The European Parliament,

– having regard to the Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management[1], which established the European Globalisation Adjustment Fund (EGF),

– having regard to Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund[2],

– having regard to Regulation (EC) 546/2009 of the European Parliament and of the Council of 18 June 2009 amending Regulation (EC) No 1927/2006 on establishing the European Globalisation Adjustment Fund[3],

– having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities[4],

– having regard to the Commission communication entitled 'A Budget for Europe 2020' (COM(2011)0500),

– having regard to the Commission's annual reports on the activities of the EGF,

– having regard to the stakeholder conferences held by the Commission in January and March 2011 with Member States and representatives of the social partners, concerning the future of the EGF,

– having regard to the resolutions it has adopted since January 2007 on the mobilisation of the EGF, including the comments of the Employment and Social Affairs Committee (EMPL) on the respective applications,

– having regard to its resolution of 7 September 2010 on the funding and functioning of the European Globalisation Adjustment Fund[5], including the opinion of the Employment and Social Affairs Committee (EMPL) of 24 June 2010,

– having regard to its resolution of 8 June 2011 entitled 'Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive

[1] OJ C 139, 14.6.2006, p. 1.
[2] OJ L 406, 30.12.2006, p. 1.
[3] OJ L 167, 29.6.2009, p. 26.
[4] OJ L 248, 16.9.2002, p. 1.
[5] P7_TA(2010)0303.

Europe'[6],

– having regard to the deliberations of the EMPL Committee's special working group on the EGF,

– having regard to Rule 110(2) of its Rules of Procedure,

A. whereas the EGF was put in place to support measures for those workers most adversely hit by mass redundancies caused by globalisation or by the financial and economic crisis in the European Union, with the aim of promoting labour market reintegration;

B. whereas, in the vast majority of cases, the EGF has been mobilised for redundancies caused by the financial and economic crisis;

C. whereas the Commission is proposing to extend until the end of 2013 the temporary derogation allowing the EGF to be used to support workers made redundant as a result of the global financial and economic crisis;

D. whereas the EGF was designed as a tool for rapid intervention in the event of mass redundancies, with a view to preventing long-term unemployment in difficult labour market conditions; whereas the original aim of the EGF as an instrument was to alleviate, within a short timeframe, acute and unforeseen labour market problems caused by the dismissal of a large number of workers either from big companies or from SMEs operating in a particular sector and in a particular region; reiterates, at the same time, that the long-term Europe 2020 objectives aimed at increasing employment and employability rates are supported by the European Social Fund (ESF);

E. whereas the lengthy procedure for mobilising the EGF has been identified as a major shortcoming of the relevant regulation;

F. whereas some Member States have struggled to use the EGF owing to difficulties in finding national matched funding;

G. whereas the EGF has contributed to the piloting of innovative measures designed to boost workers' employability;

H. whereas the current EGF Regulation has proven flexible enough to be applied in different labour market systems and contexts across the EU;

I. whereas the EGF has financed measures complementary to those financed by the ESF, along with allowances granted during training and retraining;

1. Recalls that the EGF was set up with the aim of demonstrating the EU's solidarity with workers affected by mass redundancies resulting from globalisation, and that in 2009 it was extended – as part of the Recovery Plan – to cover dismissals caused by the financial and economic crisis as well;

2. Recognises the added value of the EGF as a rapid intervention instrument with limited

[6] P7_TA(2011)0266.

scope to co-finance active labour market measures to help workers having lost their jobs to re-enter the labour market; stresses also that in future the focus should be on sustainable labour market policies; encourages the Member States to use the European Globalisation Adjustment Fund to pursue EU objectives and promote new skills, including in connection with new, sustainable, high-quality 'green' jobs;

3. Is pleased that the EGF was able to support about 10% of all dismissed workers in the EU during the 2009-2010 period, and notes that 40% of workers targeted by the EGF in 2009 were successfully reintegrated into the labour market despite the negative effects of the financial and economic crisis on labour markets;

4. Supports the Commission's proposal to continue the EGF beyond the current MFF, and asks for urgent clarification as to the situation with regard to farmers and those on fixed-term contracts;

5. Calls for the renewed EGF to be closely linked to a European framework for restructuring necessary in order to anticipate and manage transition;

6. Takes the view that the greatest added value a renewed EGF could provide would be effective support for the training and retraining of workers with a view to reintegrating them into employment in difficult labour market situations resulting from unforeseen restructuring of companies or sectors which creates or aggravates skills mismatches; underlines that such an instrument would provide a valuable complement to those measures financed by the ESF which are aimed predominantly at adapting to global challenges with a view to sustainable economic growth; underlines, further, that on the one hand this instrument would ensure EU solidarity with workers adversely affected by restructuring, and that on the other hand all Member States could benefit from its timely, targeted and tailored intervention in order to prevent long-term unemployment;

7. Is of the opinion that introducing faster intervention procedures so as to enable the EGF to be mobilised more efficiently and quickly is the main challenge for the future;

8. Takes into account the Commission's efforts to present viable solutions with a view to reducing the length of the application and mobilisation procedure to a maximum of six months between the application date and the transfer of funds to the Member State concerned, in accordance with the legislative and budget procedures currently laid down for the EGF; notes, however, the lack of progress made in the four years in which the EGF has been operational, and urges the Member States to speed up its operation by front-loading the measures within its scope without disadvantaging those Member States facing budgetary difficulties;

9. Proposes, therefore, that an own budget line be established for the EGF as a Community instrument in order to provide for a faster, more effective procedure allowing advances to be paid to applicant Member States within two months of the date on which their application is registered;

10. Urges that the future EGF have a strong focus on innovation, in line with the Europe 2020 strategy objectives, and asks the Commission to put forward proposals whereby a local, regional or national crisis leading to substantial job losses could also be considered under

the EGF;

11. Underlines that the Commission has to ensure that the measures adopted are coherent and compatible with the objectives of the Europe 2020 strategy, and to use part of its technical assistance budget to promote and disseminate best practices and mutual learning between the Member States;

12. Urges the Commission to ensure coherence between EGF interventions and action targeting companies and sectors in the area of EU competition rules and industrial policy;

13. Calls for improvements in the future EGF Regulation to ensure that the Fund does not generate moral hazard effects for multinational companies;

14. Stresses that the social partners and local authorities should be heavily involved in the application procedure and, above all, the design of the coordinated package of measures; reiterates that the social partners should participate in monitoring implementation and evaluating the outcomes for workers;

15. Urges the Commission to investigate ways of ensuring that EGF funding is not used indirectly by multinational companies showing a net profit to reduce the cost to them of handling restructuring in a socially responsible way and to evade their responsibilities;

16. Urges the Commission to identify the reasons that some Member States have not yet made use of the EGF even though mass redundancies have occurred, and to propose solutions accordingly in order to ensure that EGF funding is distributed in line with the Union's objective of promoting economic, social and territorial cohesion, and solidarity among Member States (Article 3 TEU);

17. Stresses that the EGF should continue to fund only those active labour market measures which are additional to the measures provided for under national law in the event of mass redundancies; proposes, furthermore, that in future the allowances supported by the EGF should always be coupled with training or retraining measures also financed by the EGF, and that they should not replace allowances provided for under national or Community law or collective agreements;

18. Proposes, furthermore, that the EGF co-financing rate should be aligned with the rate applicable to the Structural Funds in the Member State concerned;

19. Calls for applications to provide information on co-financing sources;

20. Urges the Commission to monitor the implementation process more closely in order to ensure that the outcomes of the measures are equally beneficial for all workers, and to compile a data base of best practices and models;

21. Instructs its President to forward this resolution to the Council, the Commission and the parliaments and governments of the Member States.