



EUROPEAN COMMISSION - PRESS RELEASE

€35 million from EU Globalisation Fund to help nearly 6,000 construction workers in Ireland

Brussels, 5 October 2011 – The European Commission has today proposed to provide Ireland with €35m from the European Globalisation adjustment Fund (EGF) to help 5,987 redundant construction workers across Ireland back into employment. The money, requested by the Irish authorities through three applications, will cover ex-workers from 3,348 mostly small enterprises. The proposal now goes to the European Parliament and the EU's Council of Ministers for their approval.

"Construction in Europe, particularly in Ireland, has plummeted and its workers are facing huge difficulties in finding new opportunities. I am confident that the support and training the EGF can provide to the Irish workers will help them and allow a smooth transition to a new job," said László Andor, EU Commissioner for Employment, Social Affairs and Inclusion. He added: *"These applications demonstrate how the Fund benefits workers from small and medium sized enterprises as well as those from larger companies."*

The Irish applications relate to a total of 9,089 redundancies from small and medium sized enterprises operating in the construction sector. The dismissals were a direct consequence of the financial and economic crisis.

Of the total 9,089 workers made redundant, the 5,987 workers with the greatest difficulties of re-integration into the labour market are targeted for assistance from the EGF. The package will help the workers by providing them with occupational guidance, training programmes (vocational/second & third level education programmes), enterprise/self-employment supports, and training allowances and income supports. It is an innovative feature of these applications that 2,258 redundant apprentices will be helped with on- and off-the-job training by means of alternating temporary employment and college education, enabling them to finish their apprenticeships and gain internationally recognised qualifications.

The total estimated cost of the package is €55 million, of which the European Union has been asked to provide EGF assistance of €35.7 million.

Background

Available data confirms the significant downturn in the construction sector, which fell for seven consecutive quarters in the EU-27 (first quarter of 2009 to the third quarter of 2010). This was mainly due to the drop in private investment in the residential sector. When the crisis hit, the share of those employed in construction in Ireland dropped from 12,25% at the end of 2007 to 9,2% in the first half of 2009 and 6,25% towards the end of 2010.

The entire State of Ireland has been affected by the redundancies. Following a decade of low unemployment of between 4% and 6%, the unemployment rate in construction increased more than six-fold between the second half of 2007 and the 2009. In mid-2009, one in three construction workers were out of work.

There have been 78 applications to the EGF since the start of its operations in January 2007, for a total amount of about €357.6 million, helping nearly 76,000 workers. EGF applications are being presented in a growing number of sectors, and by an increasing number of Member States.

EGF applications relate to the following 25 sectors: automotive (Austria, Belgium, Germany, France, Poland, Portugal, Sweden, Spain); textiles (Belgium, Italy, Lithuania, Portugal, Spain); clothing (Malta, Lithuania, Slovenia, Spain); construction of buildings (Ireland, Italy, Lithuania, Netherlands, Spain); specialised construction (Ireland); architectural and engineering (Ireland); machinery and equipment (Denmark, Germany, Poland); printing industry (Netherlands); electronic equipment (Austria, Netherlands, Portugal); retail trade (Czech Republic, Greece, Spain); mobile phones (Finland, Germany); basic metals (Austria, Bulgaria); domestic appliances (Italy, Lithuania); computers (Ireland); shipbuilding (Denmark); furniture (Lithuania); carpentry and joinery (Spain); ceramics (Spain and Italy); stone/marble (Spain); crystal glass (Ireland); shoe manufacture (Portugal); publishing (Netherlands); wholesale trade (Netherlands); aircraft maintenance (Ireland); road transport (Austria).

The EGF, an initiative first proposed by Commission President José Manuel Barroso to provide help for people who lose their jobs due to the impact of globalisation, was established by the European Parliament and the Council at the end of 2006. In June 2009, the EGF rules were revised to strengthen the role of the EGF as an early intervention instrument. It forms part of Europe's response to the financial and economic crisis. The revised EGF Regulation entered into force on 2 July 2009 and applies to all applications received from 1 May 2009 onwards.

Building on the experience acquired with EGF interventions since 2007 and its value added for the assisted workers and affected regions the Commission intends to propose to maintain the fund also for the next financial perspectives, while further improving its functioning.

Further information

[EGF website](#)

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