

**EUROPEAN COMMISSION**

**PRESS RELEASE**

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**Employment: Commission proposes €1.3 million from Globalisation Fund for Spanish workers in Aragón and pays €1.6 million to help workers in the region of Comunidad Valenciana**

The European Commission has today proposed to provide Spain with €1.3 million from the European Globalisation Adjustment Fund (EGF) to help 320 redundant workers in the construction sector with their re-integration into the labour market. The proposal now goes to the European Parliament and the EU's Council of Ministers for their approval.

EU Commissioner for Employment, Social Affairs and Inclusion László Andor commented: *"The construction sector in Spain has been hit especially hard by the effects of the financial and economic crisis and job-seekers are facing difficulties in finding new opportunities. This proposal for 1.3 million euros from Europe's Globalisation Adjustment Fund would help make their transition to new jobs faster and easier."*

Spain applied for support from the EGF concerning 836 redundancies from 377 small and medium sized enterprises operating in the construction sector in the Aragón region, where construction is a major employer. Of the total 836 redundant workers, 320 workers with the most difficulty to get new jobs are targeted for assistance from the EGF. The package aims to help the workers by offering them vocational education, one-on-one counselling, skills assessment and coaching; entrepreneurship courses and on-going advice and mentoring for entrepreneurs; job-search allowances and outplacement incentives, and other necessary subsistence allowances.

The total estimated cost of the package is approximately €2 million, to which the EGF would provide €1.3 million.

In addition, the European Commission has made a payment to Spain from the European Globalisation Adjustment Fund of €1.6 million to help 1,138 former construction workers in the region of Comunidad Valenciana back into employment. This payment follows approval by the European Parliament and the EU's Council of Ministers on 19 April 2012. The relevant proposal was made by the Commission on 15 February 2012 (for more information see: [IP/12/137](#)).

## **Background**

Demand for construction has plummeted in the EU as a result of the crisis. The latest data confirms the significant downturn in demand in the construction sector, which fell in the 27 EU Member States (EU 27) for eight consecutive quarters (Q1/2009 to Q4/2010) compared with the same period of the previous year, mainly due to the decrease in private investment in the residential sector.

In 2009 construction output in Spain followed the same negative trend as the EU-27 average. However, in 2010 and the first half of 2011 the downturn in the Spanish construction sector was worse than the EU average. Indicators, such as the number of building permits or the number of buildings started, show the decline in demand for buildings houses and house renovation in Spain. The number of building permits granted in Spain decreased by 75.6 % in 2009 and 82.8 % in 2010 compared with 2007, the last pre-crisis year while the number of buildings started decreasing by 52.2 % in 2009 compared with 2008 and by 76.7 % compared with 2007.

The employment situation in Aragón is particularly fragile, given the impact of the current economic crisis on various other sectors, such as the automotive industry and retail, which under other circumstances could have offered alternative employment for former construction workers. EGF support is therefore essential, as it can help these workers to explore new and different opportunities.

There have been 101 applications to the EGF since the start of its operations in 2007. Some €435.3 million has been requested to help about 90,481 workers. EGF applications are being presented to help a growing number of sectors, and by an increasing number of Member States.

More open trade with the rest of the world leads to overall benefits for growth and employment, but it can also cost some jobs, particularly in vulnerable sectors and affecting lower-skilled workers. This is why Commission President Barroso first proposed setting up a fund to help those adjusting to the consequences of globalisation. The EGF was established at the end of 2006 and was designed to demonstrate solidarity from the many who benefit from openness to the few who face the sudden shock of losing their jobs. In June 2009, the EGF rules were revised to strengthen the role of the EGF as an early intervention instrument forming part of Europe's response to the financial and economic crisis. The revised EGF Regulation entered into force on 2 July 2009 and applied to all applications received from 1 May 2009 to 30 December 2011.

Building on the experience acquired with the EGF since 2007 and its value added for the assisted workers and affected regions, the Commission has proposed to maintain the Fund also during the 2014-2020 multiannual financial framework, while further improving its functioning.

## **Further information**

László Andor's website:

[http://ec.europa.eu/commission\\_2010-2014/andor/](http://ec.europa.eu/commission_2010-2014/andor/)

[EGF website](#)

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