



**EUROPEAN COMMISSION**

**PRESS RELEASE**

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## **Employment: Commission proposes €2.9 million from Globalisation Fund for Dutch construction workers in Gelderland province**

Brussels, 16 July 2012 - The European Commission has today proposed to provide The Netherlands with €2.9 million from the European Globalisation Adjustment Fund (EGF) to help 435 redundant workers in the construction sector, strongly affected by the economic and financial crisis, with their re-integration into employment. 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 Gelderland has been hit particularly hard by the effects of the crisis and its job-seekers are facing difficulties in finding new employment. This proposal for 2.9 million euros from Europe's Globalisation Adjustment Fund would contribute to their smooth transition to new jobs."*

The Netherlands applied for support from the EGF concerning 516 redundancies from 54 small and medium sized enterprises operating in the construction sector in Gelderland, the biggest province of the Netherlands with some 2 million inhabitants, where construction is a major employer.

Of the total 516 redundancies, 435 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 job-search assistance, vocational training, entrepreneurship courses and flexpool - a flexible pool providing links for both job-seekers and employers in the construction sector, which can offer temporary employment so that retrained workers can gain new work experience.

The total estimated cost of the package is approximately €4.5 million, to which the EGF would provide €2.9 million.

## **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.

The Dutch construction industry was marked by a sharp decline in output by 12.9 % from 2008 to 2010. Although the first quarter of 2011 showed a recovery by 9.3 %, the trend was again slowed down in the second and third quarters of 2011 and forecasts for 2012 were not positive.

The economic and financial crisis resulted in cuts in order to reduce the government budget deficit. Reduction of public expenditure had a direct negative impact on investments in infrastructure and housing programmes. Since construction is highly dependent on the regional domestic market, the reduction of public budgets and programmes puts the construction sector in a vulnerable position. Moreover, the price level of houses in 2011 declined further by 3.6 % in comparison to 2010 and reached the level of 2005; this also had a negative impact on the construction sector.

The unemployment rate in 2011 in Gelderland was 5.9 %, slightly higher than the Dutch average. In 2010, employment in the construction sector in Gelderland was 6.5 % of the total employment in the province and some 4 100 jobs were lost in the construction sector. In 2011 a small recovery was seen (500 jobs), however, the fourth quarter of 2011 was again marked by numerous redundancies in the sector.

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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