

Comunidad Valenciana - Construction



Reference	EGF/2011/006
Member State	Spain
Sector	Construction
Submitted to European Commission	1 July 2011
Total budget planned	€2 526 200
EGF contribution	€1 642 030
Intervention criterion	Article 2(b) Regulation (EC) No 1927/2006
Period of reference	25 July 2010 – 25 April 2011
Redundancies during period of reference	1 138 redundancies in 513 small and medium sized enterprises.
Active employment measures	Including: <ul style="list-style-type: none"> - guidance, - job-search support, - various types of training courses, - entrepreneurship support and entrepreneurship incentives, - participation incentive, - contribution to commuting expenses.

BACKGROUND

- The construction industry in the EU had seen demand plummet as a result of the crisis. Loans to the construction sector or to individuals have been drastically reduced and the demand for new houses decreased due to declining consumer confidence and the lack of cash. For instance 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. This decline in demand has had a strong negative impact on employment in the construction sector.
- Construction represents 10 % of total employment in Comunidad Valenciana; while the service sector represents 60 %, the manufacturing sector 26 % and the primary sector 4 %.
- Unemployment in Comunidad Valenciana increased in 2010 by 12,2 % compared to 2009 and by 309 % compared to the pre-crisis year 2007. In 2010 workers laid off in the construction sector accounted for 28,18 % of total layoffs in the region in 2010, while in 2007 they only accounted for 6,3 %.
- The employment situation in the affected area seems particularly fragile given the impact of the crisis on sectors, such as manufacture of furniture, shoes, textiles, ceramics and toys, which under other circumstances could have constituted safety-net sectors for former construction workers.