Mobilisation of the European Globalisation Adjustment Fund: redundancies in ICT services in Ireland

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The Committee on Budgets adopted the report drafted by Frédéric DAERDEN (S&D, BE) on the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of EUR **2 696 382** in commitment and payment appropriations to assist Ireland in respect of redundancies in ICT services.

Members recall that the European Union has set up the appropriate legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market.

Given that Ireland has requested assistance for 592 redundancies, 432 of which are targeted for assistance, in *Talk Talk Broadband Services* (Ireland) Limited (hereinafter referred to as *Talk Talk*) and three of its suppliers in Ireland, Members request the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF for the requested amount. Moreover, they agree with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met and that, therefore, **Ireland is entitled to a financial contribution under that Regulation**.

Members note that the conditions at the source of the request for the EGF contribution and that there were two previous rounds of redundancy (April 2010 and April 2011) in *Talk Talk* with an estimated 50 persons per instance. These were viewed as representing management restructuring. They regret in particular the abrupt decision to close *Talk Talk's* Waterford sire leaving the workers only 30 days notice. They welcome the fact that the Irish authorities decided to start the implementation of the coordinated package already on 7 September well in advance of the decision of the budgetary authority on granting the EGF support and recall the importance of improving the employability of all workers by means of tailored training and the recognition of skills and competences gained throughout the professional career.

Information on the implementation of the EGF: Members note that the Irish authorities complain about time constraints for EGF implementation which prevents from providing training courses exceeding the 24-month implementation period. They regret that the regulation allows EGF support to substitute social welfare payments required under the national legislation. Members are of the opinion that the fund should be primarily allocated to training and job search as well as occupational orientation programs and promotion of entrepreneurship, acting complementarily to national institutions and not substituting employment benefit or any other social welfare payments. Members request the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements **to accelerate the mobilisation of the EGF**. They also appreciate the improved procedure put in place by the Commission, following Parliament's request for accelerating the release of grants, aimed at presenting to the budgetary authority the Commission's assessment on the eligibility of an EGF application together with the proposal to mobilise the EGF. They hope that **further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund** (2014–2020) and that greater efficiency, transparency and visibility of the EGF will be achieved.

Members reiterate their usual position in respect of a dossier of this type:

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- the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;
- the fact that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements, nor measures restructuring companies or sectors and that it can co-finance only active labour market measures which lead to durable, long-term employment;
- the fact that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on the complementarity with actions funded by the Structural Funds ;
- the need for a comparative evaluation of those data in the annual report on the Funds;
- the need to ensure that no duplication of Union-funded services can occur.

They also welcome the fact that following repeated requests from Parliament, the 2012 budget shows payment appropriations of EUR 50 000 000 on the EGF budget line 04 05 01; recalls that the EGF was created as a separate specific instrument with its own objectives and deadlines and therefore deserves a dedicated allocation, which will avoid transfers from other budget lines. They regret **the decision of the Council to block the extension of the "crisis derogation"**, allowing to provide financial assistance to workers made redundant as a result of the current financial and economic crisis in addition to those losing their job because of changes in global trade patterns, and allowing the increase in the rate of Union co-financing to 65% of the programme costs, for applications submitted after the 31 December 2011 deadline. They call on the Council to reintroduce this measure without delay.