Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in France

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The Committee on Budgets adopted the report by Jean-Louis COTTIGNY (S&D, FR) on the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF) in the sum of **EUR 11 949 666** in commitment and payment appropriations in order to provide a financial contribution for the application submitted by France with respect to redundancies in the car industry.

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. The report notes that France has requested assistance for 2 089 redundancies, all of which are targeted for assistance, of which 649 redundancies took place in the two branches of PSA Peugeot Citroën (Peugeot Citroën Automobiles and Sevelnord) during the reference period between 1 November 2009 and 28 February 2010 and a further 1 440 workers were made redundant by the same companies before and after the reference period under the same redundancy plan based on voluntary departures. It request the institutions involved to accelerate the mobilisation of the EGF. Members agree with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met and that, therefore, **France is entitled to a financial contribution under that Regulation.**

They note that redundancies targeted by this application affect ten regions in France, most of which are situated in the northern half of the territory. However, the voluntary departures mostly affect Brittany (32% of voluntary redundancies), Ile-de-France (25%) and Franche-Comté (13%). They also note that the coordinated package of personalised services supported by the EGF is part of the voluntary redundancy plan launched to help 5 100 workers to leave PSA and which comprises also measures required by French national law in case of mass redundancies, like early retirement schemes. As a general point, Members recall that Peugeot Citroën Automobiles, which is a subsidiary of PSA Peugeot Citroën group, is required by French law to contribute to the revitalisation of these regions, contributing to the creation of new activities and new jobs, so as to attenuate the effects of redundancies. In this regard, the EGF will only support measures additional to those required by virtue of national law falling within three strands of the redundancy plan: (i) "professional or personal project", (ii) "redeployment leave" and (iii) "setting up or taking over a business". Members request more information on the features of the measures included in the coordinated package.

At the same time, Members welcome the fact that, in order to provide workers with speedy assistance, the French authorities decided to start the implementation of the measures ahead of the final decision on granting the EGF support for the proposed coordinated package, and they recall the importance of improving the employability of all workers by means of adapted training and recognition of skills and competences gained throughout the professional career. Members request more information on the types of training provided following EFM mobilisation.

Lessons to be learned from the implementation of the EGF: the report highlights the fact that lessons should be learned from the preparation and implementation of this and other applications addressing mass dismissals. It remarks that the measures will not replace measures within the responsibility of the company under national law or collective agreements and that the measures target individual workers and will not be used for restructuring of PSA. The committee requests the institutions involved to make the

necessary efforts to improve procedural and budgetary arrangements to **accelerate the mobilisation of the EGF**. Members 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).

The committee reiterates its usual position on the approach to this kind of application:

- the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;

- 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 must support the reintegration of individual redundant workers into long-term employment;

- the EGF should not provide an incentive for companies to replace their contractual workforce with a more precarious and short-term one;

- the fact that 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 its annual reports in order to ensure full respect of the existing regulations and

- no duplication of Union-funded services can occur.

The committee welcomes 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. It 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, as happened in the past, which could be detrimental to the achievement of the policy objectives of the EGF. Members 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.