

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

2012/2165(BUD) - 23/10/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 565 votes to 75, with 14 abstentions, a resolution approving the annexed proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF), for an amount of **EUR 11 949 666** in commitment and payment appropriations **in respect of redundancies in the automobile manufacturing sector in France.**

Parliament recalls 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. It 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. Parliament agrees 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.**

Parliament notes 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%). It also notes 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, Parliament recalls 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". Parliament requests more information on the types of training that will be provided, and in particular on the features of the measures included in the coordinated package of personalised service making them additional compared to the measures obligatory under national legislation.

At the same time, Parliament welcomes 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. It reiterates its position that **the EGF support should not contribute directly to unemployment benefits** which are the responsibility of national institutions.

Lessons from the implementation of the EGF: Parliament considers lessons should be learned from the preparation and implementation of this and other applications addressing mass dismissals. It notes 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**.

Parliament calls on the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to **accelerate the mobilisation of the EGF**. It appreciates the improved procedure put in place by the Commission, following its request for accelerating the release of grants. It hopes that **further improvements in the procedure will be integrated** in the new Regulation [on the EGF \(2014–2020\)](#) and that greater efficiency, transparency and visibility of the EGF will be achieved.

Parliament reiterates its usual position in respect of a dossier of this type:

- 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;
- 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;
- the fact that 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 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.

Parliament welcomes the fact that following its requests, the 2012 budget shows payment appropriations of EUR 50 million 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 that it therefore deserves a dedicated allocation, which will avoid there being transfers from other budget lines, as happened in the past, which could be detrimental to the achievement of the policy objectives of the EGF. Parliament regrets the **decision of the Council to block the extension of the "crisis derogation"**, allowing the increase in the rate of Union cofinancing to 65% of the programme costs, for applications submitted after the 31 December 2011 deadline, and calls on the Council to reintroduce this measure without delay.