Mobilisation of the European Globalisation Adjustment Fund: redundancies in the pharmaceutical sector in Sweden

2012/2155(BUD) - 23/10/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 574 votes to 71, with 15 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 4 325 854** in commitment and payment appropriations **in respect of redundancies in the pharmaceutical sector in Sweden.**

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. Noting that Sweden has requested assistance for 987 redundancies, 700 of which are targeted for assistance, in the *AstraZeneca* pharmaceutical company in Sweden, Parliament requests the institutions involved to accelerate the mobilisation of the EGF. It agrees with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met and that, therefore, **Sweden is entitled to a financial contribution under that Regulation**.

Parliament welcomes this call for the EGF financial contribution by the Swedish Government even though this Member State has opposed the extension of the crisis derogation for the current EGF and **jeopardises the future of the EGF after 2013**.

Recalling the causes of the request for EGF assistance, Parliament notes that Sweden has had a strong position in medical research and **the collective redundancies in *AstraZeneca* had not been expected**. While the worsening situation in the pharmaceutical sector due to the rising dominance of generics and outsourcing of research and development activities outside of Europe had been foreseen, the impact on *AstraZeneca* was more severe than anticipated, in particular in the Lund area (South Sweden) where most of the redundancies have occurred.

At the same time, Parliament welcomes the fact that, in order to provide workers with speedy assistance, the Swedish authorities decided to start the implementation of the measures well ahead of the final decision on granting the EGF support for the proposed coordinated package. It recalls 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. It notes that the workers dismissed from Astra Zeneca are highly skilled and educated and therefore require a specific approach. It also notes that the a **ssistance will not be used to contribute directly to unemployment benefits**.

Lessons from the implementation of the EGF: Parliament highlights the fact that lessons should be learned from the preparation and implementation of this and other applications addressing mass dismissals, especially with respect to the activities in anticipation of redundancies and timeliness of the preparation of EGF applications. 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.