Mobilisation of the European Globalisation Adjustment Fund: redundancies in the mobile phone sector in Romania

2012/2275(BUD) - 12/12/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 578 votes to 70, with 23 abstentions, a resolution approving the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 2 942 680** in commitment and payment appropriations to assist Romania in respect of redundancies in the mobile telephone sector.

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 Romania has requested assistance for 1 904 redundancies, 1 416 of which are targeted for assistance in SC Nokia Romania SRL and one supplier in Romania, Members request the institutions involved to make the necessary efforts 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, **Romania is therefore entitled to a financial contribution under this Regulation**.

Parliament recalls that in order to provide workers with immediate assistance, the Romanian authorities decided to start the implementation of the measures on 8 December 2011 - ahead of the final decision about granting EGF support for the proposed coordinated package.

Parliament also recalls the importance of improving the employability of all workers by means of adapted training and the recognition of skills and competences developed throughout workers' professional careers. It expects the training on offer in the coordinated package to be adapted not only to the level and needs of the dismissed workers, but also to the current business environment.

Intervention of the EGF and Nokia: Parliament points out that the EGF has already acted in favour of 1 337 workers dismissed as a result of the re-location of Nokia from Germany to Romania in 2008 and that, three years later, **the EGF must act again** as the production plant opened in Cluj, following the closure in Germany, was closed down in 2011 as a result of re-location to Asia.

Parliament regrets that the redundancies in Cluj in Romania and in Salo in Finland (application EGF/2012/006/ FI/Nokia from Finland) stem from a corporate decision of Nokia to move its production plants to Asia and are part of its plan to reduce global employment in Nokia Corporation by 17 000 workers by the end of 2013. It indicates that another EGF application is expected to cover the second round of dismissals in Nokia in Salo and therefore calls on the Commission to clarify to what extent Nokia itself financially supports the redundancy programme. It notes that the impact of Nokia dismissals on employment in the region is considerable.

Lessons learnt from the implementation of the EGF: Parliament highlights the fact that lessons should be learned from the implementation of the EGF and requests the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements to **accelerate the mobilisation of the EGF.** It also appreciates 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. It hopes that **further improvements in the procedure will be integrated in the new**

Regulation on the European Globalisation Adjustment Fund (2014–2020) and that the EGF's effectiveness, transparency and visibility will be strengthened as a result.

Parliament calls for reciprocity in trade between the EU and third countries as an essential condition for EU companies to gain access to new non European markets.

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;
- 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 it should 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.

EGF financing: Parliament welcomes the fact that following its requests, 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 to the extent possible from other budget lines, as has happened in the past. It awaits the Commission's response as to whether **Nokia** was involved in the creation of the package of services and the possibility of its **involvement in the co-financing of the measures**.

Parliament also regrets the decision of the Council to block the extension of the "crisis derogation", which allows for the provision of 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 allows for an increase in the rate of Union co-financing to 65% of the programme costs, for applications submitted after the 31 December 2011 deadline. It calls on the Council to reintroduce this measure without delay.