Mobilisation of the European Globalisation Adjustment Fund: redundancies in mobile social services in Austria

2012/2277(BUD) - 12/12/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 546 votes to 69, with 64 abstentions, a resolution approving the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 5 200 650** in commitment and payment appropriations to assist Austria in respect of redundancies in mobile social services.

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. Given that Austria has requested assistance for 1 050 redundancies, 350 of which are targeted for assistance in 105 enterprises operating in the NACE Revision 2 Division 88 ('Social work activities without accommodation') in the NUTS II region of Steiermark (AT22), Parliament requests the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount. Moreover, it agrees with the Commission that the conditions set out in Article 2(b) of the EGF Regulation are met and that, therefore, **Austria is therefore entitled to a financial contribution under this Regulation**.

Parliament recalls the fact that, in order to provide workers with immediate assistance, the Austrian authorities decided to start the implementation of the measures on 1 October 2011 - ahead of the final decision about granting EGF support for the proposed coordinated package.

It recalls the importance of improving the employability of all workers by means of adapted training and the recognition of skills and competences gained throughout the professional career. 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 their social and economic situation.

The EGF and the Steiermark Region in Austria: Parliament notes that the region of Steiermark has already been affected by mass lay-offs and workers in this region have benefited from the EGF support by means of three applications, namely EGF/2009/009 AT/Steiermark, EGF/2010/007 AT/Steiermark-Niederosterreich and EGF/2010/008 AT/AT&S. It also indicates that the EGF project will be carried out in the framework of a labour foundation established at regional level and will be managed by a development association that had experience with a past EGF application (EGF/2009/009 AT/Steiermark). Parliament recalls that this model of providing active labour market measures in the past regarding the reintegration of workers into the labour market and the use of the EGF funds for **this purpose was very successful.**

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 its 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 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 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.

The question of retraining and reskilling of social workers: Members draw attention to the subsistence allowance for workers on training and searching for employment, which may amount EUR 1 000 per worker per month which will be combined with a training allowance of EUR 200 per worker per month. They recall that the EGF should, in future, be primarily allocated to training and job searching, as well as occupational orientation programmes, and its financial contribution to allowances should always be of an **additional nature** and in parallel with what is available to dismissed workers by virtue of national law or collective agreements. They consider, however, the ratio of subsistence allowance and training allowance to the costs of training of EUR 14 400 to 7 000 as an unjustified **quasi-financing of unemployment benefit**. They note that the proposed measures cost approximately EUR 22 000 per worker, of which roughly EUR 14 000 Euro is to be covered by the EGF, making it a very high contribution per capita compared to other EGF applications.

EGF funding: Parliament also 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.

Lastly, Parliament deplores 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.