Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Italy

2013/2138(BUD) - 23/09/2013 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Salvador GARRIGA POLLEDO (EPP, ES) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for a total amount of **EUR 1 164 930** in commitment and payment appropriations to assist Italy hit by redundancies in the ITC sector.

Members recalled 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 Italy submitted an application for a financial contribution from the EGF, following

529 redundancies in Lombardy, with 480 workers targeted for EFG co-funded measures, Members requested the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF to cover the amount requested. They agreed with the Commission that the conditions set out in Article 2(b) of the EGF Regulation are met and that, therefore, **Italy is entitled to a financial contribution under that Regulation**.

Members noted that Lombardy, Italy's most prosperous region producing one fifth of Italy's GDP, needed to tackle major structural challenges aggravated by the economic and financial crisis. They also recalled that the Commission had already recognised the impact of the economic and financial crisis on the ICT sector and that the EGF has supported workers dismissed in this sector in the cases of EGF/2011/016 IT /Agile and EGF/2010/012 NL/Noord Holland. They noted that the Italian ICT sector had been suffering from strong competition from low-cost countries over the past decade and that there was a need to reorganise the sector.

Targeted measures: Members welcomed the fact that, in order to provide workers with speedy assistance, the Italian authorities decided to initiate the implementation of the personalised measures on 1 March 2012, well ahead of the final decision on granting the EGF support for the proposed coordinated package. They noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 480 workers into employment, such as interview techniques, profiling of skills, advice and support towards self-employment, tutoring, etc. They noted, however, that training and re-training measures are not included in the coordinated package of personalised services. They recalled the importance of **improving the employability of all workers** by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career.

They stressed that the Italian authorities confirm that the eligible actions do not receive assistance from other EU financial instruments.

Improving the future EGF: Members called on the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to **accelerate the mobilisation of the EGF**. They appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated 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 hoped that **further improvements in the procedure would be integrated in the new EGF Regulation (2014-2020)** and that greater efficiency, transparency and visibility of the EGF would be achieved.

Members welcomed the agreement reached in the Council on reintroducing in the EGF regulation, for the period 2014-2020, **the crisis mobilisation criterion,** 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.

Members reiterated their position as regards the processing of an application of this kind:

- the fact that assistance from the EGF should permit the workers concerned to obtain stable employment;
- the fact that EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment.
- 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.