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

2013/2138(BUD) - 08/10/2013 - Budgetary text adopted by Parliament

The European Parliament adopted by 584 votes to 64, with 7 abstentions, a resolution approving the annexed proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF) for a total amount of **EUR 1 164 930** in commitment and payment appropriations to assist Italy hit by redundancies in the information and communications technology (ITC) sector.

Parliament recalled that the European Union 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, Parliament 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. It 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**.

Parliament noted that Lombardia, Italy's most prosperous region, producing 20% of Italy's GDP, needs to tackle major structural challenges aggravated by the economic and financial crisis.

It called on the Italian authorities to use the EGF support to its full potential and to **encourage the maximum number of workers to participate in the measures**.

It recalled that early EGF interventions in Italy suffered from a relatively low rate of budget implementation, mainly due to low participation rates and that this sector had been assisted in the cases of EGF/2011/016 IT/Agile and EGF/2010/012 NL/Noord Holland. Overall, Parliament 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: Parliament 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. It 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. after consultation of the social partners (CGIL, CISL, UIL, CISAL). It noted, however, that training and re-training measures are not included in the coordinated package of personalised services. It 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.

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Improving the future EGF: Parliament 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**. It 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. It 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.

Parliament 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.

Parliament reiterated its 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.