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

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The Committee on Budgets adopted the report by Juan Andrés NARANJO ESCOBAR (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 an amount of **EUR 9 810 000** in commitment and payment appropriations in order to assist Finland in respect of redundancies in the mobile phone sector.

Members recalled that the European Union set up 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 Finland submitted application EGF/2013/001 FI/Nokia following 4 509 redundancies in Nokia with 3 719 workers targeted for EFG co-funded measures, Members called on the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF for the requested amount, agreeing with the Commission that the conditions set out in Article 2(a) of the EGF Regulation have been met. **Therefore, Finland is entitled to a financial contribution under that Regulation**.

Members considered that the redundancies in the enterprise Nokia plc, Nokia Siemens Networks and 30 of its suppliers and subcontractors involved in mobile phone sector are linked to major structural changes in world trade patterns due to globalisation, referring to the transfer of functions within the sector to third countries outside Europe, and a decrease in Nokia’s market share for basic mobile phones and smartphones.

They regretted that the redundancies in Nokia stem from its corporate decision to move its production plants as well as the design and product development to Asia and that Nokia Finland was already subject to large scale redundancies in 2012 (EGF/2012/006 FI/Nokia Salo), which weighs further on the Finnish economy.

In parallel, Members welcomed the fact that the Finnish authorities started the implementation of the coordinated package of personalised service already on 1 August 2012 when the dismissals started in order to assist workers before they stop working at Nokia.

Targeted measures: Members noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 3 719 redundant workers into employment such as coaching and other preparatory measures, training and re-training, entrepreneurship promotion, pay subsidies, etc. They noted that financial allowances to be covered by the EGF are limited and the **majority of support will be devoted to training and entrepreneurship**.

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; expects the training on offer in the coordinated package to be adapted not only to the needs of the dismissed workers but also to the actual business environment.

Improving the future EGF: Members requested the institutions involved to make the necessary efforts to improve procedural 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 will be integrated in the new Regulation on European Globalisation Adjustment Fund (2014-2020)** and that greater efficiency, transparency and visibility of the EGF will 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.

In the process, Members reiterated their classic position when dealing with this type of request:

- it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment;
- EGF assistance 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.