Mobilisation of the European Globalisation Adjustment Fund: redundancies in the jewellery sector in Ireland

2014/2098(BUD) - 13/11/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 569 votes to 72, with 12 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund to the amount of **EUR 1 501 200** in commitment and payment appropriations in order to assist Ireland following redundancies in the jewellery sector.

Parliament recalled that the 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.

Ireland application: Ireland submitted application EGF/2014/007 IE/Andersen Ireland for a financial contribution from the EGF, following 171 redundancies in Andersen Ireland Limited, during the reference period from 21 October 2013 to 21 February 2014.

Parliament agreed with the Commission that the exceptional circumstances put forward by the Irish authorities, namely that the redundancies have a serious impact on regional employment and the local and regional economy, justify a derogation to the 500 redundancies threshold according to Article 4(2) of the EGF Regulation, and that, therefore, **Ireland is entitled to a financial contribution under that Regulation**. Parliament also welcomed the speedy evaluation by the Commission of less than five months.

It welcomed the fact that, in order to provide workers with speedy assistance, the Irish authorities decided to initiate the implementation of the personalised services to the affected workers on 21 October 2013, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament considered that the 171 redundancies in Andersen Ireland Limited are linked to major structural changes in world trade patterns due to globalisation, with the EU jewellery sector being outstripped four-fold by imports within 4 years (2008 to 2012), of which 95% are from Asia. It noted that these redundancies will further aggravate the unemployment situation in the region, as Andersen Ireland was a major employer in this mainly rural area which already had an unemployment rate (39.3%) twice as high as the national average (19%).

NEET: Parliament noted that, in addition to the redundant workers, personalised services co-financed by the EGF shall be provided to up to 138 young people under the age of 25 not in employment, education or training (NEETs). The proposed actions should be adapted to take into account the differences between the needs of dismissed workers and NEETs. Parliament expects a separate list of financial measures for the targeted NEETs in the midterm review.

Coordinated package of personalised services: Parliament noted that the coordinated package of personalised services to be co-funded will seek to open the widest possible range of employment opportunities in an area where there are few expanding sectors or production sites and will require significant upskilling of the redundant workers. It welcomed the set-up of an office of the EGF Co-ordination Unit in close proximity to the affected location which will serve as a one-stop shop for the workers. It noted that the personalised services which are to be provided to workers made redundant consist of the following actions which combine to form a co-ordinated package of personalised services:

occupational guidance and career planning supports, EGF Training Grants, training and second level education programmes, third level education programmes, skillsnets training supports, enterprise/self-employment supports, income supports including course expense contributions.

New EGF: Parliament noted that the income supports measures will be strictly limited to a maximum amount of 35% of the overall package of personalised measures. It welcomed the adoption of the EGF Regulation which reflects the agreement reached between the Parliament and the Council to reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60% of the total estimated cost of proposed measures, to increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses.

Lastly, it recalled that in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should be compatible with the shift towards a resource-efficient and sustainable economy.