

# Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food manufacturing sector in France

2014/2166(BUD) - 25/11/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 593 votes to 80, with 16 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 918 000** in commitment and payment appropriations in order to assist France following redundancies in the food manufacturing 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.

**French application:** France submitted application EGF/2014/005 FR/GAD on 6 June 2014 following the dismissal of 744 workers in GAD société anonyme simplifiée, an enterprise which operated in the economic sector classified under NACE Rev. 2 division 10 ('Manufacture of food products'). Parliament noted that the French authorities submitted the application under the intervention criterion set out in Article 4(1)(a) of the EGF Regulation, which requires at least 500 workers being made redundant or self-employed persons' activity ceasing, over a reference period of four months in an enterprise in a Member State, including workers made redundant or self-employed persons' activity ceasing in its suppliers and downstream producers. Therefore, **France is entitled to a financial contribution under that Regulation.**

Parliament welcomed the fact that, in order to provide workers with speedy assistance, the French authorities decided to initiate the implementation of the personalised services to the affected workers on 3 January 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package.

**Nature of the redundancies:** Parliament stated that GAD, as an abattoir and meat processing enterprise, was caught in the vice between two sets of price pressures, that of farmers struggling to cope with the increased price of feed and that of consumers struggling to cope with reduced income (in particular the increase of prices for pig feed and the reduction of pig meat consumption). Parliament also noted that other factors played an important role in the company's difficulties, such as unfair competition within the internal market from competitors making an abusive use of the Posting of Workers Directive and the **absence of a decent minimum wage in all Members States.**

Parliament called on the Commission to ensure a level playing field within the internal market and the consistency of its legislation and instruments.

Parliament noted that these redundancies will aggravate the unemployment situation in Bretagne, as employment in this region is dependent on the agro-agricultural sector to a higher extent than the average in France (11% in Bretagne as opposed to 5% on average in France).

**Dismissed workers:** Parliament stated that 17.5% of the dismissed workers are aged between **55 and 64 years**. This age group is at a higher risk of prolonged unemployment and exclusion from the labour market. It considered, therefore, that these workers may have specific needs when it comes to providing them with personalised services.

**Coordinated package of personalised services:** Parliament regretted that the personalised services which are to be provided consist of **only one action:** to be implemented by a one-stop-shop (Cellule de reclassement) which is run by two contracting agencies. It expressed concerns with regard to the low amount of funds per worker (approximately EUR 1 200) and called on the French authorities to propose a more ambitious programme for the remaining closing sites of GAD. Parliament recalled that the funds have to help the workers and not, in any case, support the agencies.