# Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of electrical equipment sector in Italy

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The Committee on Budgets adopted the report by Daniele Viotti (S&D, IT 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 1 890 000** in commitment and payment appropriations in order to assist Italy following redundancies in the electrical equipment sector. Members 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.

**Italy's application**: the Italian authorities submitted application EGF/2014/010 IT/Whirlpool on 18 June 2014 following the dismissal of 608 workers in Whirlpool Europe S.r.l., an enterprise which operated in the economic sector classified under NACE Rev. 2 division 27 ('Manufacture of electrical equipment'), and five providers and downstream producers. Members noted that the Italian authorities submitted the application under the intervention criterion of 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, **Italy is entitled to a financial contribution under the EGF Regulation.**

Members welcomed the fact that, in order to provide workers with speedy assistance, the Italian authorities decided to initiate the implementation of the personalised services to the affected workers on 4 February 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package and even of the application for a financial contribution from the EGF.

**Nature of the redundancies**: Members highlighted that due to the financial and economic crisis resulting in significant decline of household consumption, the Italian market for big household appliances has dropped from EUR 3 174 billion in 2010 to EUR 2 649 billion in 2013, this representing a decline by 16.5%. They noted that these redundancies will further aggravate the unemployment situation in the province of Trento, where the unemployment rate has doubled since the beginning of the crisis, raising from 2.9% in 2007 to 6.1% in 2013.

**A coordinated package of personalised services**: Members noted that the personalised services which are to be provided consist of: information sessions, intake and registration, counselling and guidance, skills assessment, general training and re-training, vocational training, coaching, accompaniment after reintegration into work and accompaniment towards entrepreneurship. These services also include job-search allowance as well as participation allowance.

Members noted that 16.78% of the targeted beneficiaries are non-EU citizens. They considered that certain elements of the coaching activity could be particularly useful to help these beneficiaries to re-integrate into the labour market.

**New EGF**: Members 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.