Mobilisation of the European Globalisation Adjustment Fund: redundancies in the air transport sector in France

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The Committee on Budgets adopted the report by Marco ZANNI (EFDD, 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 25 937 813** in commitment and payment appropriations in order to assist France following redundancies in the air transport 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.

French application: France submitted application EGF/2013/014 FR/Air France for a financial contribution from the EGF, following 5213 redundancies, with 3886 persons expected to participate in the measures, during and after the reference period from 1 July 2013 to 31 October 2013, linked to a decline of the Union's market share in air transport. Members noted Notes that the conditions set out in Article 2 (a) of the EGF Regulation are met. Therefore, **France is entitled to a financial contribution under the EGF Regulation.**

Members noted that this application is the largest in terms of the requested amount of funding since the launch of EGF. They also considered that several applications of this magnitude may run the risk of depleting the fund not leaving enough funding for applications of more reasonable dimensions.

Members 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 6 November 2012, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Members considered that the redundancies in Air France are linked to major structural changes in world trade patterns due to globalisation, with the Union market share in air transport falling, notably in the face of a spectacular rise of three major companies of the Persian Gulf, a trend which is aggravated by the global financial and economic crisis. They noted that the redundancies at Air France are expected to have a negative impact on the Ile-de-France region, which is also faced with another mass redundancy as the Peugeot Citroën Automobile (PSA) production plant in Aulnay is being closed entirely in 2014.

A coordinated package of services: Members noted that the coordinated package of personalised services to be co-funded includes following measures for the reintegration of 3886 redundant workers into employment: (i) advisory services and vocational guidance for workers, (ii) training, (iii) contribution for business creation, (iv) regular information and communication activities, (v) redeployment and mobility allowance.

Members also welcomed the amount of EUR 21.58 million devoted to the Redeployment allowance which will be paid until the end of the congé de reclassement and amounts to 70% of the worker's last gross salary. It should be noted that Regulation (EU) No 1309/2013 limits the share of such allowances to 35% of the total EGF amount mobilised for a given case.

Members recalled that funds should help the reintegration of beneficiaries into the labour market instead of providing them with salary replacement after being dismissed.

New EGF: Members welcomed the adoption of the new EGF 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.

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.

They stressed that, in accordance with Article 6 of the EGF Regulation, it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment and 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.