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

2014/2170(BUD) - 16/12/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 604 votes to 82, with 15 abstentions, a 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 (application EGF/2014/010 IT/Whirpool, from Italy).

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.

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. Parliament 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.**

Parliament 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: Parliament 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%. It 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.

The resolution noted that, in addition to the 502 redundancies in Whirlpool, considered as the primary enterprise, within the reference period, 106 workers made redundant in five suppliers and downstream producers are also included in the number of eligible beneficiaries, which amounts to 608 persons in total, all of them being counted as targeted beneficiaries of the EGF measures.

A coordinated package of personalised services: Parliament 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: Parliament 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.