Mobilisation of the European Globalisation Adjustment Fund: redundancies in the solar module producing in Germany

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The Committee on Budgets adopted the report by Iris HOFFMANN (S&D, DE) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 1 094 760** to assist Germany affected by redundancies in the solar module producing industry.

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.

German application: the German authorities submitted application EGF/2014/014 DE/Aleo Solar for a financial contribution from the EGF, following 657 redundancies, 390 from Aleo Solar AG, a company operating in the NACE 2 Division 26 'Manufacturing of computer, electronic and optical products', and 267 from its two subsidiaries, with 476 persons expected to participate in the measures, during and after the reference period from 7 March 2014 to 7 July 2014. The conditions set out in Article 4(1)(a) of the EGF Regulation are met. Therefore, Germany is entitled to a financial contribution under that Regulation.

Members welcomed the fact that, in order to provide workers with speedy assistance, the German authorities decided to initiate the implementation of the personalised services to the affected workers on 11 April 2014, 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 Aleo Solar AG are linked to major structural changes in world trade patterns due to globalisation. The redundancies at Aleo Solar AG are expected to have a negative impact on the Prenzlau/Brandenburg region, where per capita income is well below the national average and the unemployment rate the highest in Germany with 15.5% and 16.4% respectively.

Package of personalised services: Members noted that the coordinated package of personalised services to be co-funded includes the following measures for the reintegration of 476 redundant workers into employment (vocational training, careers advice and guidance, peer groups/workshops, entrepreneurship advice, inter-regional advice for mobility, etc).

They noted that the authorities plan to utilise the maximum allowed 35% of all costs on allowances and incentives in the form of training allowances (Transferkurzarbeitergeld) constituting 60% or 67% of a worker's previous net income – depending on the household situation of the beneficiary – which is in line with the practice where workers become unemployed in Germany.

The training allowance is not a substitute for passive social protection measures.

Members also considered that workers in the 55-64 and 15-29 age groups are at a higher risk of prolonged unemployment and exclusion from the labour market. They considered therefore that these workers have specific needs when it comes to providing them with personalised approach.

They regretted that the risk of long-term unemployment for the redundant workers is high and stressed therefore the importance of measures encouraging workers to look beyond the immediate area and take up job offers which can be found in other regions. 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.

Lastly, they also stressed that EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment.