Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacturing of machinery in Belgium

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The Committee on Budgets adopted the report by Anneli JÄÄTTEENMÄKI (ADLE, FI) 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 1 222 854** in commitment and payment appropriations to assist Belgium affected by redundancies in the manufacturing of machinery 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.

Belgian application: Belgium submitted application EGF/2014/011 BE/Caterpillar for a financial contribution from the EGF, following 1030 redundancies in Caterpillar Belgium S.A. a company operating in the NACE 2 Division 28 'Manufacture of machinery and equipment n.e.c', with 630 persons expected to participate in the measures, during and after the reference period from 1 January 2014 to 30 April 2014, linked to a decline in demand in Europe. They noted that the conditions set out in Article 4(1) (a) of the EGF Regulation are met. Therefore, Belgium is entitled to a financial contribution under that Regulation.

Members welcomed the fact that, in order to provide workers with speedy assistance, the Belgian authorities decided to initiate the implementation of the personalised services to the affected workers on 1 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 regretted that many of the unemployed persons in the Charleroi region are low skilled (59% do not have upper secondary education) and that 43% have been unemployed for more than 2 years. They also regretted that the employment rate in Charleroi is among the lowest in the Wallonia region at 52.26%. They stated that the redundancies at Caterpillar are expected to have huge negative impacts on the Charleroi region, which is facing a very difficult labour market situation due to its over-reliance on traditional industrial employment and lack of new industries. The report pointed out that the low qualification level of the workers made redundant makes it difficult for them to find a new job in an adverse economic context.

They noted that 18% of the targeted redundant workers expected to participate in the measures are threatened by labour market exclusion as they are part of the 55-64 age group.

A package of personalised services: Members noted that the coordinated package of personalised services to be co-funded covers three main areas: redeployment, training and retraining and promotion of entrepreneurship.

They noted that more than half of the total estimated costs are to be spent on redeployment services, namely support, guidance and integration measures. They noted that these services will be provided by FOREM (the public employment and training service of the Walloon Region), which acts as an intermediary body in the implementation of this application.

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 expected the training on offer in the coordinated package to be adapted not only to the needs of the dismissed workers but also to the actual business environment.

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