Mobilisation of the European Globalisation Adjustment Fund: redundancies in the chemical industry in Poland

2015/2016(BUD) - 10/03/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 507 votes to 58, with 5 abstentions, a resolution 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 115 205** in commitment and payment appropriations in order to assist Poland following redundancies in its chemical industry.

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.

Polish application: Poland submitted application EGF/2013/009 PL/Zachem for a financial contribution from the EGF following 615 redundancies in Zaklady Chemiczne Zachem and 2 suppliers, linked to the discontinuation of production and corporate reorganisation of Zachem, operating in the NACE 2 Division 20 'Manufacture of chemicals and chemical products', located in the NUTS 2 Kujawsko-Pomorskie Province. The redundancies took place during the reference period from 31 March 2013 to 31 July 2013 and are linked to a decline in the Union's market share of the chemical industry. Therefore, **Poland is entitled to a financial contribution under that Regulation**.

Parliament recalled that this application is among the last two to be treated under the 2006 EGF Regulation and the adoption of Regulation (EU) No 1309/2013 reflects the agreement reached between the Parliament and the Council to reintroduce the crisis mobilisation criterion, to increase the Union financial contribution to 60% of the total estimated cost of proposed measures.

It welcomed the fact that, in order to provide workers with speedy assistance, the Polish authorities decided to initiate the implementation of the personalised services to the affected workers on 4 March 2013, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament noted that the measures supported by the EGF are targeted at the 50 workers in the most disadvantaged situation and includes the following 2 measures: hiring incentives and intervention works. It underlined that Zachem was the biggest employer in the region and that in the given reference period, the workers dismissed directly or indirectly from Zachem amounted to 60% of all newly registered unemployed persons in the district employment office in Bydgoszcz.

The resolution noted that the redundancies at Zachem and its suppliers are expected to have a negative impact on the Kujawsko-Pomorskie Province, which had the highest unemployment rate in the country, amounting to 17.4% in July 2013, despite the economic expansion the region has benefited from.

Package of personalised services: Parliament noted that the coordinated package of personalised services is aimed at complementing the numerous ongoing measures available for the redundant workers in the framework of the Human Capital Operational Programme co-financed by the European Social Fund and the other measures undertaken by the employment offices in the region. It noted that the largest proportion of the costs for personalised services will be spent on hiring incentives targeted at 45 workers, which aim to provide an incentive to employers who decided to hire these workers for at least 24 months.

It 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, Parliament stressed that EGF assistance can co-finance only active labour market measures which lead to durable, **long-term employment**. It must not replace actions which are the responsibility of companies by virtue of national law or collective agreements nor measures restructuring companies or sectors.