Mobilisation of the European Globalisation Adjustment Fund: redundancies in the steel sector in Belgium

2015/2020(BUD) - 10/03/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 559 votes to 74, 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 1 591 486** in commitment and payment appropriations to assist Belgium affected by redundancies in its steel sector.

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.

Belgian application: Belgium submitted application EGF/2014/012 BE/ArcelorMittal for a financial contribution from the EGF, following 1 285 redundancies in ArcelorMittal Liège S.A., a company operating in the NACE 2 Division 24 'Manufacture of basic metals', with 910 persons expected to participate in the measures, during and after the reference period from 1 January 2014 to 1 May 2014, linked to a serious economic disruption, in particular a rapid decline in the Union's market share.

Parliament 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**.

Parliament 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 January 2014, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament considered that the redundancies in ArcelorMittal Liège S.A. are linked to major structural changes in world trade patterns due to globalisation between 2007 and 2013. The effects of these changes in trade patterns have been worsened by other factors, such as a decrease in demand for steel in the automotive and construction sectors in the Union as a consequence of the economic crisis and a relative increase in production costs (raw materials, energy, environmental constraints, etc.) which has led to a high number of job losses in the steel sector due to plant closures and restructuring by several steel manufacturers in Europe.

Parliament noted that the redundancies at ArcelorMittal Liège S.A. are expected to have **huge negative impacts on the Liège region**, a region highly dependent on the metalworking sector, where the impact of the downsizing of ArcelorMittal is all the more important as the share of ArcelorMittal in local employment is 78.9% within the metal sector and 14.3% within the manufacturing sector.

Union approach: Parliament stressed the need for an **efficient and coordinated approach at Union level** in order to reverse the decrease in competitiveness of the Union's steel sector. It also emphasised the need for proper and targeted investments with the aim of ensuring innovation as the main driver for global competitiveness of the Union's steel sector and a guarantee of keeping the jobs in Europe.

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

of entrepreneurship. It advocated for the future use of provisions of the EGF Regulation to support young people not in employment, education or training (NEETs) in this region.

Parliament noted that more than half of the total estimated costs are to be spent on redeployment services, namely support, guidance and integration measures and 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.

It noted that measures which are mandatory under collective redundancy procedures in Belgium and which are carried out as part of the standard activities of the Redeployment Units (e.g. outplacement support, training, job-search assistance and careers advice, etc.) are not included in this EGF application.

Parliament welcomed that **financial support from the European Social Fund** was in the past awarded to a project (EnTrain – En Transition-Reconversion-Accompagnement) which aimed to develop pedagogical methods for Redeployment Units in general and that the findings of this project are likely to prove useful in the implementation of the planned measures.

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