Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of safety glass for the automotive industry in Belgium

2015/2017(BUD) - 10/03/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 597 votes to 77, with 6 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 1 339 928** in commitment and payment appropriations in order to assist Belgium following redundancies in the manufacture of safety glass for the automotive 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.

It stressed the fact that the EGF is a special instrument that allows the Union to react to specified unforeseen circumstances and should maintain its main purpose, that is to provide support in case where, during a reference period, a large number of workers (minimum 500) are made redundant as a result of major structural changes in world trade patterns due to globalisation and global financial and economic crises.

The EGF must not become a substitute for other European Structural and Investment Funds, such as the European Social Fund, and **must be used to complement such funds**. It emphasised that the exceptional circumstances which allow for the mobilisation of the EGF must not divert from the above-mentioned scope.

Belgian application: Belgium submitted application EGF/2013/011 BE/Saint-Gobain Sekurit for a financial contribution from the EGF following 257 redundancies linked to the closure of a plant of the Saint-Gobain Sekurit (SGS) group, located in Auvelais, which produced safety glass for the automotive industry. The redundancies took place during and after the reference period from 31 August 2013 to 31 December 2013 and are linked to a decline in the production of automotive safety glass in the European Union.

Parliament agreed with the Commission decision that the application for EGF financial contribution submitted by Belgium is entitled to a financial contribution under Article 2(c), which requires exceptional circumstances to be demonstrated, despite the fact that the conditions set out in Articles 2(a) and 2(b) of the EGF Regulation are not met. It stressed however that invoking Article 2(c) should be assessed on a case-by-case situation and should not become a general method for the mobilisation of the EGF when basic conditions are not met.

It 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 31 August 2013, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Expressing concerns about the length of the procedure, Members urged the Member States and all the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF.

Nature of the redundancies: Parliament noted that the sector of the manufacture of safety glass for the automotive industry has undergone serious economic disruption as a result of several factors, such as a decrease in the production of automotive safety glass in the Union, an increase in the market shares of competitors from non-Member States and an increase in imports of these products into the Union.

Limited opportunities: Parliament also noted that SGS Benelux's activities were closely linked to production trends in the automotive industry and that the socioeconomic situation of the area concerned and of its neighbouring areas (Charleroi, Namur) means that the workers made redundant by SGS Benelux have limited employment possibilities. It noted that the redundancies at SGS mainly concern production-line workers (83% of staff concerned have ‘ouvrier’ status). Parliament considered that in the context of the labour market situation in the affected region, **the dismissed workers will have to be retrained to find jobs in other occupations and/or other sectors**.

The resolution insisted on the need to enhance and encourage assistance with autonomy and ease of access at regional level to implement a bottom up ethos, empowering local solutions at a regional level where any situation which falls under the scope of the EGF might occur.

Package of personalised services: Parliament noted that the coordinated package of personalised services to be co-funded includes the following measures for the reintegration of the 257 redundant workers into employment (grouped by category): (1) individual job-search assistance, case management and general information services, (2) training and retraining and (3) promotion of entrepreneurship. It insisted on the need to enhance and encourage assistance with autonomy of workers. 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, the resolution also stressed that EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment.