Mobilisation of the European Globalisation Adjustment Fund: redundancies in aircraft repair and installation services in Ireland

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The Committee on Budgets adopted the report by Victor NEGRESCU (S&D, RO) 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 2 490 758** in commitment and payment appropriations in order to assist Ireland following redundancies in its aircraft repair and installation services.

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.

Irish application: Ireland submitted application EGF/2014/016 IE/Lufthansa Technik for a financial contribution from the EGF, following a total of 424 redundancies in Lufthansa Technik Airmotive Ireland Ltd (LTAI) and two of its suppliers in Ireland. Members stated that the application does not fulfil the eligibility criteria laid down in Article 4(1)(a) of the EGF Regulation and is based on the exceptional circumstances provision contained in Article 4(2) of that Regulation. By exceptional circumstances, this means that the redundancies have a serious impact on employment and the local and regional economy, and justify a derogation from the intervention criteria set out in Article 4(2) of the EGF Regulation.

Therefore, Ireland is entitled to a financial contribution under that Regulation.

Members noted, however, that the exceptional circumstances in this case relate to only 250 persons. Therefore, they recommended that the Commission establish clear criteria for applications relating to less than 500 workers. According to the Members, if the criteria laid down in Article 4(1)(a) of that Regulation are not entirely met, applications should be assessed on a case-by-case basis.

Members also welcomed the fact that, in order to provide workers with speedy assistance, the Irish authorities decided to initiate the implementation of the personalised services to the affected workers on 7 December 2013, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Members highlighted that the redundancies are linked to major structural changes in world trade patterns due to globalisation, as a result of a serious shift in Union trade in goods and services resulting from a technological shift towards the production of new generation aircraft and components, and the shift in location of global aircraft production.

These redundancies are expected to have huge negative impacts on Southern and Eastern Ireland, which presents pockets of considerable local disadvantage and workers with a lack of professional qualifications. Moreover, a series of redundancies in enterprises in this sector over the last years has made it even more difficult for the workforce that possesses some very specific skills that are difficult to exploit in other sectors to find a new job. Members regretted that this is particularly true for those workers who are closer to retirement (around 20 % of the Lufthansa Technik workers) or have been with that same employer for a number of years.

Package of personalised services: Members noted that the coordinated package of personalised services to be co-funded consists of guidance and career planning, EGF training grants, training and further education programmes, higher education programmes, enterprise and self-employment supports, income supports including the EGF course expense contribution scheme.

They recalled that in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

NEET: the report noted that the Irish authorities decided to provide personalised services co-financed by the EGF to up to 200 young people not in employment, education or training (NEETs) under the age of 25 in addition to the redundant workers (despite the fact that this in this case, the NEETs do not belong to the group of redundant workers and were not employed in the same sector). It noted the personalised services which are to be provided to NEETs consist of the same options as for the redundant workers but will be tailor-made for each NEET individual as appropriate.

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

Lastly, Members recommended that the Commission evaluate the possibility of reducing the required minimum number of workers made redundant to 200 for EGF projects because of the impact on unemployment generated by redundancies in SMEs affected by the economic crisis.