Mobilisation of the European Globalisation Adjustment Fund: redundancies in the electronics industry in Finland

2015/2125(BUD) - 08/07/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 589 votes to 78, with 10 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 the amount of **EUR 1 365 000** in commitment and payments appropriations to assist Finland in respect of redundancies its electronics industry, notably mobile phone chipsets (application EGF/2015/001 FI/Broadcom, from Finland).

Parliament recalled that the Union has 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 or of the global financial and economic crisis and to assist their reintegration into the labour market.

Finnish application: Finland submitted application EGF/2015/001 FI/Broadcom for a financial contribution from the EGF following 568 redundancies in Broadcom Communications Finland, operating in the NACE Rev. 2 division 46 ('Wholesale trade, except of vehicles and motorcycles'), and 2 suppliers or downstream producers.

Parliament agreed with the Commission that the conditions set out in Article 4(1)(a) of the EGF Regulation are met and that, therefore, **Finland is entitled to a financial contribution under that Regulation**.

Parliament noted that the Finnish authorities submitted the application for an EGF financial contribution on 30 January 2015, and that its assessment was made available by the Commission on 2 June 2015 and welcomed the speedy evaluation.

It noted with satisfaction that, in order to provide workers with speedy assistance, the Finnish authorities decided to initiate the implementation of the personalised services to the affected workers on 11 August 2014, well ahead of the decision and even the application on the granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament considered that the redundancies in Broadcom are partly linked to the trend that affects the entire Finnish electronics industry and culminated in Nokia's announcement of large-scale redundancies in 2011. These redundancies will further aggravate the unemployment situation particularly in the region of Northern Ostrobothnia, where 424 of the 568 redundancies occurred (a region the unemployment rate is consistently a couple of percentage points higher than the national average). Parliament noted that in August 2014, while the national unemployment rate was 12.2%, in Northern Ostrobothnia it was 14.1% and in the most affected city, Oulu, it was 16.1% and that the same region was strongly affected by the **large-scale Nokia redundancies from 2011 onwards**.

A package of personalised services: Parliament noted that Finland is planning three types of measures for the redundant workers covered by this application: (i) helping them to transfer to a new job, (ii) helping them to start their own business, and (iii) providing training or education. It noted that the authorities plan to use 17.46% of all costs on allowances and incentives in the form of pay subsidies (as part of the salary for each employment relationship established for a targeted worker) and allowances for

travel, overnight and removal costs, which amounts to half of the maximum allowed 35% of all costs for such measures.

Anticipating employment needs: Parliament 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. It 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.

Whilst welcoming the complementarity of the proposed EGF interventions with other actions funded by national or Union funds, Parliament stressed that the Finnish authorities confirm that the eligible actions **do not receive assistance from other Union financial instruments**. Lastly, it reiterated its call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect of the existing regulations and that no duplication of Union funded services can occur.