

Activities, impact and added value of the European Globalisation Adjustment Fund between 2007 and 2014

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PURPOSE: to present a report on the activities of the European Globalisation Adjustment Fund (EGF) in 2013 and 2014.

CONTENT: the EGF, which was set up by Regulation (EC) No 1927/2006, was designed to reconcile the overall long-term benefits of open trade for growth and employment with the short-term adverse effects which globalisation may have, particularly on the employment of the most vulnerable and lowest-skilled workers.

The EGF is intended to provide support to workers made redundant as a result of major structural changes in world trade patterns. It co-finances active labour market policy measures taken by the Member States to help redundant workers reposition themselves on the labour market and find new jobs.

To respond more effectively to the global financial and economic crisis, the rules governing the EGF were amended first by Regulation (EC) No 546/20092 and, since January 2014, by [Regulation \(EU\) No 1309/2013](#).

Overview: the report notes that the e Fund has undergone a remarkable development since its beginnings in 2007. It covers a wide variety of sectors and economic activities and more and more Member States have benefited from its support. In 2013 and 2014, the Commission received **30 applications for contributions from the EGF, totalling EUR 109 million**. These were submitted by 10 Member States (Belgium, Germany, Ireland, Finland, France, Greece, Italy, the Netherlands, Poland and Spain). The applications, which requested a total of **EUR 108 733 976** from the EGF, targeted **28 390 workers** made redundant as a result of structural changes in world trade patterns due to globalisation or the economic and financial crisis.

EGF applications were submitted **for the first time for 10 sectors**. The sectors concerned were: food products, slaughterhouses, chemicals, glass, manufacture of computer, electronic and optical products, jewellery, transport/warehouse, air transport, food and beverage services, programming and broadcasting, repair and installation of machinery and equipment, and information and communication.

The budgetary authority took 28 decisions targeting 27 610 redundant workers in 13 Member States, to make use of the EGF in 2013 and 2014, amounting to a total of EUR 114.4 million from the EGF's 2013-2014 budget.

Results from the EGF: the final reports presented by the 13 Member States showed that at the end of the EGF implementation period, 7 656 workers, or **44.9 %** of the 18 848 workers who received EGF assistance, **had found new jobs or were self-employed**. The Commission considers this a good result, particularly as the workers supported by EGF co-funded measures are usually among those facing the greatest difficulties on the labour market.

The support packages which the 13 Member States provided to workers made redundant included a wide range of **personalised job search, outplacement and (re)qualification measures**. The highest amounts were spent on two categories of measures:

- **training and retraining** (about EUR 56.5 million, or 32 % of the total personalised services for all 34 cases) and
- **financial allowances paid to the workers while they were pursuing active labour market policy measures** (about EUR 68.5 million, or 38.8 % of the total personalised services for all 34 cases).

Individual guidance and promotion of entrepreneurship were other frequently used measures.

The ex-post evaluation published in May 2014¹¹ indicates that the EGF made a **positive contribution to addressing significant social and labour market problems** resulting from large-scale redundancy procedures.

Trends: with the increasing number of EGF cases, the Commission possesses more data to identify trends in applications and to gain an overview of the direction of the Fund's activities.

A total of **EUR 561.1 million** has been so far requested on behalf of **122 121 workers** (this is the number of targeted workers estimated by the Member States). The report gives a detailed breakdown of data regarding the 134 applications made by Member States between 2007 and 2014.

The Commission stresses in particular:

- the trends so far show an **increasing number of sectors** for which EGF applications have been submitted, with 10 new sectors added in this reporting period ;
- Member States have **gained experience in selecting the most suitable measures**, directing their assistance to redundant workers in an efficient manner, and making use of the EGF to test new approaches;
- Member States are increasingly using the **option of reallocating funds** between measures during project implementation in order to make best use of the approved contribution.

The new EGF Regulation (2014-2020): the report recalls that failure to achieve a qualified majority in Council meant that the EGF's temporary 'crisis derogation' could not be extended beyond the end of 2011. This limited the possibilities for EU assistance to workers in 2012 and 2013, even though many were still seriously affected by the crisis.

However, the **economic and financial crisis criterion** was reintroduced by the new EGF Regulation (EU) No 1309/2013. The new Regulation also expanded the **categories of eligible workers** to include self-employed workers and workers on temporary contracts and -by derogation until the end of 2017 - young people 12 not in employment, education or training (NEETs). These changes broaden the scope for EGF support. The new streamlined adoption timeline means that measures to help workers should be implemented more quickly.

The Commission considers that if the EGF **is used to its full potential**, in a way that complements other available instruments and in consultation with the major stakeholders, workers eligible for EGF support can be helped in a **tailored and personalised manner**. This will improve their labour market opportunities in the medium and longer term as markets continue to recover from the crisis.