Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacturing of machinery in Belgium

2016/2074(BUD) - 23/06/2016 - Budgetary text adopted by Parliament

The European Parliament adopted by 534 votes to 45 with 7 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 1.824.041**in commitment and payment appropriations to assist Belgium in respect of redundancies in the machinery 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 or of the global financial and economic crisis and to assist their reintegration into the labour market.

Belgian application: Belgium submitted application EGF/2015/012 BE/Hainaut *Machinery* for a financial contribution from the EGF, following dismissals in the economic sector classified under the NACE Revision 2 Division 28 (Manufacture of machinery and equipment n.e.c.) in the NUTS level 2 region of Hainaut.

Parliament noted that 488 dismissed workers, as well as 300 young people not in employment, education or training (NEETs) under the age of 30 from the same regions are expected to participate in the measures. It recalled that the redundancies were carried out by Carwall SA, Caterpillar Belgium SA and Doosan SA.

It noted that although the application does not fulfil the eligibility criteria set down in Article 4(1) of the EGF Regulation, it was submitted under the intervention criteria of Article 4(2), which allows for a derogation in respect of the number of workers made redundant.

Therefore, Belgium is entitled to a financial contribution amounting to EUR 1 824 041 representing 60 % of the total cost of EUR 3 040 069. Members welcomed the fact that Belgian authorities started providing the personalised services to the targeted beneficiaries on 1 January 2015, well ahead of the application for the EGF support.

Nature of the redundancies: Parliament noted that, following the announcement of Caterpillar Belgium SA on 23 February 2013 of a collective redundancy procedure in its Gosselies plant, the majority of its 1399 workers were the subject of EGF/2014/011 BE/Caterpillar application, and pointed out that the current application is a follow-up to that application.

Parliament underlined that Hainaut is facing a difficult labour market situation with an unemployment rate of 14.5 %, 1 236 job losses in 2013 and 1 878 in 2014 in the manufacturing sector, a drop in job offers of 13% since 2012 and a high proportion of under qualified labour, as well as high levels of long-term unemployment, which stands at 39,0 % overall unemployment in the Hainaut region.

A package of personalised services: Parliament noted that Belgium is planning the following types of measures for redundant workers covered by the application:

- support/guidance/integration;
- facilitating job-search;

- integrated training;
- support for enterprise creation;
- support for collective projects;
- job search allowances;
- training allowances.

Parliament welcomed the fact that, in addition to the 488 workers dismissed, 300 NEETs from the same region are expected to participate in the measures.

Whilst welcoming the fact that the Belgian authorities are proposing special measures designed for NEETs, Members noted the importance of launching an information campaign in order to reach the NEETs.

Labour market: Parliament noted that the proposed actions constitute active labour market measures within the eligible actions set out in Article 7 of the EGF Regulation and recalls that, in line with that Article, the personalised services provided are expected to **anticipate future labour market perspectives and required skills**. It highlighted the need to improve the employability of all workers by adapted training and expects that the training offered in the coordinated package will meet both the needs of the workers and the business environment.

Parliament welcomed the fact that the allowances and incentives, which Belgium confirmed are conditional on the active participation of the targeted beneficiaries in job-search or training activities (actions under point (b) of Article 7(1) of the EGF Regulation), are limited to less than **5 % of the total costs**, which is far below the threshold of 35 % of the total cost of the package of personalised measures allowed by the EGF Regulation. It noted that workers in the **55 - 64 age group** make up 35,9 % of the targeted beneficiaries. It considered that workers in this group are at a higher risk of long-term unemployment and social exclusion and have specific needs when it comes to providing them with personalised approach.

Parliament called on the Commission to revise the rules on state aid in order to enable state intervention to enhance socially and environmentally beneficial projects, and to help SMEs and industries in difficulty.

It noted that the Belgian authorities confirm that the eligible actions do not receive assistance from other Union financial instruments, and reiterated its call on the Commission to present a comparative evaluation of those data in its annual reports.

Lastly, Parliament reiterated 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 for restructuring companies or sectors.