# Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Finland

2016/2211(BUD) - 04/10/2016 - Budgetary text adopted by Parliament

The European Parliament adopted by 594 votes to 68, with 12 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Union Solidarity Fund for an amount of **EUR 5 364 000** in payment and commitment appropriations to assist Finland in respect of redundancies in the information and communications technology sector (in particular, the mobile phone 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.

**Finnish application**: Finland submitted application EGF/2016/001 FI/Microsoft for a financial contribution from the EGF under the intervention criteria set out in Article 4(1)(a) of the EGF Regulation, following 2161 redundancies in Microsoft Mobile Oy and 8 of its suppliers and downstream producers in Finland, operating in the NACE Revision 2 division 62 (Computer programming, consultancy and related activities).

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 of EUR 5 364 000 under that Regulation, which represents 60 % of the total cost of EUR 8 940 000.

**Nature of the redundancies**: Parliament noted that the main reason behind the redundancies at Microsoft is the declining market share of its phones using the Microsoft Windows operating system from over 50 % in 2009 to 0.6 % in the second quarter of 2016.

It considered that the redundancies in Microsoft are linked with the trend that has affected the entire Finnish electronics industry since the decline of Nokia in its country of origin and for which four previous applications have been presented. Those events are directly linked to structural changes in world trade patterns due to globalisation.

Members also noted that redundancies are concentrated in NUTS 2 regions Helsinki-Uusimaa (FI1B), Etelä-Suomi (FI1C) and Länsi-Suomi, (FI197) and concern workers with highly varying competencies, 89 % of them between 30 and 54 years of age. However, the situation is already difficult as regards the unemployment situation of highly skilled and educated people, especially women who face a greater challenge in finding employment.

**A package of personalised services**: Parliament welcomed the fact that the Finnish authorities started providing the personalised services to the affected workers on 11 September 2015, well ahead of the application for the EGF support for the proposed coordinated package.

Finland is planning six types of measures for the redundant workers covered by this application:

- coaching measures and other preparatory measures;

- employment and business services;
- vocational labour training;
- pay subsidiesd;
- start-up grants;
- allowances for travel, overnight and removal costs, sufficient funds have been allocated to control and reporting.

**Pay subsidies**: Parliament noted that the pay subsidies will be between 30 and 50 % of the worker’s payroll costs and will be given for a period of 6 to 24 months. It called on Member States to pay strict attention when using pay subsidies to ensure that redundant workers hired with a subsidy are not replacing, in whole or in part, a position held previously by another employee at the company concerned. It called on the Commission to evaluate and provide information about the impact of the income support measures over a period of several years, to ensure that they are supporting high-quality employment and not being used to subsidise short-term, low-cost contracts.

**Synergies with other actions**: Parliament noted that the Microsoft case will cooperate with Labour Mobility in Europe 2014–2020, which is a national EURES service development project. It welcomed such measures and the fact that the Finnish authorities are encouraging the redundant workers to fully benefit from their right to free movement.

It also noted that a national package of measures entitled "Models between the recruiting company and the retrenching company" has been launched within the European Social Fund and welcomed the efforts of the Finnish authorities to search for synergies with other actions funded by national or Union funds.

In parallel, Parliament noted that the Finnish authorities have confirmed that the proposed actions will not receive financial support from other Union funds or financial instruments, that any double financing will be prevented and that such actions are complementary to actions funded by the Structural Funds.

Lastly, Parliament recalled that the financial contribution from the EGF will not replace actions the enterprise concerned is required to take by virtue of national law or pursuant to collective agreements.