

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

2017/2058(BUD) - 17/05/2017 - Budgetary text adopted by Parliament

The European Parliament adopted by 554 votes to 70, with 8 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 to provide **EUR 2 641 800** in in commitment and payment appropriations to assist Finland faced with redundancies in its ICT 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/2016/008 FI/Nokia Network Systems for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 26 (Manufacture of computers, electronic and optical products) in Nokia Oy (Nokia Network Systems) and three suppliers and downstream producers, operating mainly in the NUTS level 2 regions of Helsinki-Uusimaa (Uusimaa) (FI1B), Länsi-Suomi (Pirkanmaa) (FI19) and Pohjois- ja Itä-Suomi (Pohjois-Pohjanmaa) (FI1D) and whereas 821 out of 945 redundant workers eligible for the EGF contribution are expected to participate in the measures.

Parliament noted 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 2 641 800 under that Regulation.

Nature of the redundancies: the redundancies at Nokia Oy are part of the company's worldwide transformation programme, which is needed in order to be able to compete with East Asian rivals. Members noted that the persons who became unemployed from Nokia Oy in 2016 are all either highly (40 %) or medium (60 %) qualified and had been working in programming and designing, with their professional skills in many cases outdated. 21 % of the targeted beneficiaries are over 54 years old, an age where re-employment in the job market is remarkably difficult; notes, in addition, that the unemployment rates have long been above the national average in two of the three concerned regions and that unemployment of the highly educated is overall at a high level in these regions, with the situation particularly difficult for employees over 50.

Parliament recalled that the ICT industry is highly sensitive to changes in the global market; notes that competition within the sector is global, meaning that all market players can compete for the same customers and the location and cultural background of personnel have limited significance.

It noted, in this regard, that the redundancies at Nokia Oy are part of the company's worldwide transformation programme, which is needed in order to be able to compete with East Asian rivals.

A package of personalised services: Parliament recalled that the design of the coordinated package of personalised services supported by the EGF should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

It noted that Finland is planning seven types of measures:

- coaching measures and other preparatory measures,
- employment and business services,
- training,
- start-up grants,
- expert assessments,
- pay subsidy,
- allowances for travel, overnight and removal costs.

It also noted that those actions constitute **active labour market measures**.

Members welcomed the use of the EURES network service to pass foreign job advertisements to Finnish jobseekers. They noted that international recruitment events will be arranged regionally in cooperation with EGF and EURES services. They also stressed that the Finnish authorities have confirmed that the eligible actions do not receive financial contributions from other Union financial instruments, any double financing will be prevented and the proposed actions will be complementary with actions funded by the Structural Funds.

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 of measures for restructuring companies or sectors.

Lastly, Parliament recommended that Member States search for synergies with other actions funded by national or Union funds and utilise other Union programs alongside EGF measures.