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

2017/2098(BUD) - 01/09/2017 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Petri SARVAMAA (EPP, FI) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation to provide the sum of EUR 3 520 080 in commitment and payment appropriations to assist Finland in respect of redundancies in the mobile phone sector using Microsoft technology.

Members 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/2017/002 FI/Microsoft 2 for a financial contribution from the EGF under the intervention criteria of point (a) of Article 4(1) of the EGF Regulation following 1 248 redundancies in Microsoft Mobile Oy and 11 suppliers and downstream producers in Finland operating in the economic sector classified under the NACE Revision 2 Division 62 (Computer programming, consultancy and other activities).

Members agreed that the conditions set out in point (a) of Article 4(1) of the EGF Regulation are met and that Finland is entitled to a financial contribution of EUR 3 520 080.

Nature of redundancies: the main reason for the redundancies at Microsoft Mobile Oy is the worldwide competition in the mobile phone sector and the consequent loss of market share by Microsoft Mobile Oy and its Windows based operating system. They are also linked to the shift of manufacturing of mobile devices to lower wage countries.

The affected regions of Helsinki-Uusimaa, Länsi-Suomi and EteläSuomi have already experienced extensive redundancies by firms in the electronics and software sectors and that Länsi-Suomi and Etelä-Suomi have high regional unemployment rates. 1 000 out of 1 248 redundant workers eligible for the EGF contribution are expected to participate in the measures. 92.5% of the targeted beneficiaries are 30-54 years old who for the most part are highly educated.

Package of personalised services: given that unemployment rates of highly educated people have increased considerably in all three regions, Members welcomed that Finland is planning six types of measures:

- coaching measures and other preparatory measures;
- employment and business services;
- training;
- start-up grants;
- pay subsidy;
- allowances for travel and accommodation.

The report noted that the income support measures correspond to 26.74 % of the overall package of personalised measures, below the maximum 35 % set out in the EGF Regulation.

In addition, Members noted that the Finnish authorities have provided assurances 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 they will be complementary with actions funded by the Structural Funds.

Lastly, they 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.