

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

2017/2098(BUD) - 13/09/2017 - Budgetary text adopted by Parliament

The European Parliament adopted by 600 votes to 83, with 9 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 (application submitted by Finland - EGF/2017/002 FI/Microsoft 2).

Parliament **approved the proposal** for a decision to mobilise the EGF to grant a financial contribution of **EUR 3 520 080** to assist Finland faced with redundancies in the mobile phone sector using Microsoft technology.

As a reminder, the request to obtain financial assistance from the EGF was submitted by Finland on 1 February 2017 following **1 248** redundancies in Microsoft Mobile Oy and 11 downstream suppliers and producers in Finland operating in the economic sector of computer programming, consultancy and other activities.

**Reason for 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 systems. The redundancies are linked to the shift of manufacturing of mobile devices to lower wage countries. The winners in the smartphone manufacture competition have been the US and Asia-based manufacturers using Android or iOS operating system.

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 (14.6 % and 17.5 % of the labour force respectively).

**Measures envisaged:** the **six types** of measures envisaged by Finland are: (i) coaching measures and other preparatory measures, (ii) employment and business services, (iii) training, (iv) start-up grants, (v) pay subsidy, and (vi) allowances for travel and accommodation.

Income support measures correspond to **26.74 %** of the overall package of personalised measures, below the maximum 35 % set out in the EGF Regulation.

The resolution welcomed the fact that the Finnish authorities started providing the personalised services to the targeted beneficiaries on 12 July 2016, well ahead of the application for the EGF support for the proposed coordinated package.

Members welcomed the use of the **EURES** network service to pass foreign job advertisements to Finnish jobseekers.

**Beneficiaries:** Parliament noted that of the 1 248 dismissed workers eligible for a contribution from the Fund, 1 000 are expected to participate in the measures. **92.5 % of targeted beneficiaries are 30-54 years old and that many of the redundant workers are highly educated.**

Overall, Parliament stressed the importance of improving the employability of all workers by means of **adapted training** and the recognition of skills and competences gained throughout a worker's professional

career. It also 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.