Mobilisation of the European Globalisation Adjustment Fund: redundancies in the telecom industry in Sweden

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The Committee on Budgets adopted the report by Umas PAET (ALDE, EE) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, amounting to **EUR 2 130 400** in commitment and payment appropriations to assist Sweden face redundancies in the manufacturing of computer, electronic and optical products.

The European Globalisation Adjustment Fund (EGF) aims to provide support for workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation.

Swedish application: Sweden has submitted application **EGF/2017/007 SE/Ericsson** for a financial contribution from the EGF following **2 388 redundancies in the computer, electronic and optical product manufacturing sector** in the regions of Stockholm, Västsverige, Östra Mellansverige and the Sydsverige region.

Members considered that the conditions set out in Article 13(1) of the EGF Regulation are met and that Sweden is entitled to a financial contribution of EUR 2 130 400 under that Regulation, which represents 60% of the total cost of EUR 3 550 667.

Reasons for the redundancies: Sweden argued that the redundancies are linked to major structural changes in world trade patterns due to globalisation and more particularly to the **negative growth in the hardware-centric business line of the telecom industry for Ericsson in Sweden due to global competition**.

Ericsson faces an uncertain future due to the structural changes that the industry has undergone because of globalisation and increased competition from competitors, especially in Asia.

Whilst the number of Ericsson workers employed globally grew, it has since declined in Sweden.

The estimated number of redundant workers likely to participate in the measures is **900**. More than 30% of this group belong to the **55-64 age group** and have specialised skills in the telecoms hardware industry that are no longer needed on the current job market. Consequently, their reintegration into this market is expected to be difficult and they risk becoming long-term unemployed.

Package of personalised services: Members noted that Sweden is planning five types of actions for the redundant workers covered by this application:

- counselling and career planning,
- measures for disadvantaged groups,
- entrepreneurship support,
- education and training,
- job search and mobility allowances.

The report noted that the cost of allowances and incentives for dismissed workers **almost reaches the limit of 35 % of the total cost** of the coordinated package of personalised services and that those actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities.

Members welcomed the decision to provide **specialised help to redundant workers above the age of 50** who are in danger of becoming long-term unemployed, and those with learning or physical disabilities. They also welcomed the obligation for the Swedish Public Employment Service to include environmental demands in its calls for tender and in its own practice.

Lastly, the report stressed that the Swedish authorities have confirmed that the eligible actions do not receive assistance from other Union funds or financial instruments.