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

2018/2012(BUD) - 01/03/2018 - Budgetary text adopted by Parliament

The European Parliament adopted by 550 votes to 76, with 6 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 (request submitted by Sweden - EGF/2017/007 SE/Ericsson).

Parliament approved the proposal for a decision to **mobilise the EGF to provide a financial contribution of EUR 2 130 400 to assist Sweden** facing redundancies in the manufacturing of computer, electronic and optical products.

As a reminder, the request for financial assistance from the EGF was submitted by Sweden on 9 August 2017 following **2 388 layoffs** in the computer, electronic and optical product manufacturing sector in the NUTS level 2 regions of Stockholm (SE11), Västsverige (SE23), and Östra Mellansverige (SE12), as well as in the area of Sydsverige (SE22).

Parliament noted the following points:

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 has gradually been cutting staff in Sweden, but in the meantime has been growing worldwide.

Proposed services: five types of actions for the redundant workers covered by this application are laid down: (i) counselling and career planning, (ii) measures for disadvantaged groups, (iii) entrepreneurship support, (iv) education and training, (v) job search and mobility allowances.

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. These actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities.

Beneficiaries: Parliament underlined that the application relates to 2 388 workers made redundant by Ericsson, of whom **900** will be targeted by the proposed measures. It noted that more than 30 % of that group are between 55 and 64 years of age with skills specific to the telecoms hardware industry, which are outdated for the current job market, and that they are therefore in a disadvantaged position to return to work and at risk of long-term unemployment.

Parliament 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. It also welcomed the obligation for the Swedish Public Employment Service to include environmental demands in its calls for tender and in its own practice.

It also noted that the proposed actions would help redundant workers to adapt their skills and facilitate their transition to new jobs or help them set up their own enterprises.

The resolution stressed that the Swedish authorities have confirmed that the **eligible actions do not receive assistance from other Union funds or financial instruments** and that assistance from the EGF must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements, or measures for restructuring companies or sectors.

Lastly, Parliament called on the Commisson to: (i) urge national authorities to provide more details, in future proposals, on the sectors which have growth prospects and are therefore likely to hire people; (ii) gather substantiated data on the **impact of the EGF funding**, including on the quality, duration and sustainability of new jobs, on the number and percentage of self-employed persons and start-ups, and the reintegration rate achieved through the EGF.