Mobilisation of the European Globalisation Adjustment Fund: redundancies in the air transport sector in France

2018/2059(BUD) - 03/07/2018 - Budgetary text adopted by Parliament

The European Parliament adopted, by 549 votes to 88, with 39 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 France - EGF/2017/009 EN Air France).

Parliament approved the proposal for a decision to mobilise the EGF with a view to granting, within the general budget of the Union for the financial year 2018, a **financial contribution of EUR 9 894 483** in commitment and payment appropriations in response to an application from France facing redundancies in the air transport sector.

This amount represents **60 %** of the total cost of EUR 16 490 805, comprising expenditure for personalised services of EUR 16 410 805 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 80 000.

As a reminder, the application for financial assistance from the EGF was submitted by France on 23 October 2017, following **1 858 redundancies at Air France in France**, in the Île-de-France and Provence-Alpes-Côte d'Azur regions.

Parliament noted the following points:

Reasons for the redundancies: the redundancies are linked to major structural changes in world trade patterns due to globalisation and, more particularly, to the serious economic disruption undergone by the international air transport sector, notably the decline of the Union’s market share in the face of the spectacular rise of three major companies in the Persian Gulf (Emirates, Qatar Airways and Etihad Airways), which receive a very high level of State aid and subsidies and are subject to less restrictive social and environmental regulation than Union companies.

These redundancies are expected to have a significant adverse effect on the local economy, which has issues related to long-term unemployment and to the redeployment of workers aged 50 and over.

Measures envisaged: France is planning **five types of actions** for the redundant workers covered by this application: (i) advisory services and vocational guidance for workers; (ii) vocational training; (iii) contribution for business recovery or business start-up; (iv) job search allowance; (v) mobility allowance.

Income support measures represent the maximum 35 % of the overall package of personalised measures, set out in the EGF Regulation.

Parliament welcomed the way in which the co-ordinated package of personalised services has been drawn up in consultation with the representatives of the targeted beneficiaries and the social partners as well as the agreements between Air France, unions and the Central Works Council which ensured that all departures were voluntary. It called on Air France to ensure the necessary high-quality social dialogue.

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

The Commission was asked to urge national authorities to provide more details, in future proposals, on the sectors which have growth prospects and are therefore likely to hire people, as well as to gather substantiated data on the impact of the EGF funding, in particular on the quality of jobs and the reintegration rate achieved through the EGF.

Lastly, Members called on Parliament and the Council to start negotiations in autumn 2018 on the Commission's legislative proposal of 8 June 2017 to safeguard competition in air transport.