Mobilisation of the European Globalisation Adjustment Fund: redundancies in in the banking sector in the Netherlands

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The Committee on Budgets adopted the report by Ivana MALETI (EPP, HR) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, for a total of **EUR 1 192 500** in commitment and payment appropriations, to assist the Netherlands facing redundancies in the financial services sector.

The European Globalisation Adjustment Fund is intended to provide additional assistance to workers suffering from the consequences of major structural changes in world trade patterns.

Dutch application: the Netherlands submitted an application for a financial contribution from the EGF following **1 324 redundancies** in the economic sector covered by the 'financial services activities, except insurance and pension funding' in the NUTS level 2 regions of Friesland, Drenthe and Overijssel in the Netherlands.

Given that the redundancies that occurred in 20 enterprises operating in the Dutch banking sector are expected to have a significant adverse effect on the local economy, Members considered that that the conditions laid down in Article 4(1) of the EGF Regulation have been met and that the Netherlands is entitled, within the framework of the general budget of the Union for the 2018 financial year, to a **financial contribution of EUR 1 192 500, representing 60% of the total cost of EUR 1 987 500**.

Reasons for the redundancies: the Netherlands argued that the financial and economic crisis has had a **serious impact on the services and operations of Dutch banks**. The low level of interest rates, introduced in response to the financial crisis, stricter regulatory conditions, the substantial decline in the mortgage market and the credit provision to small and medium-sized enterprises (SMEs) have led to a decline in profitability and created an urgent need to reduce costs. As a result, banks have reduced their staff, mainly by closing regional branches and converting to online banking.

Members regretted that the financial sectors in other Member States are under similar pressure and suggested that Member State governments consider whether the EGF could play a useful role in enabling employees to adjust to these changes.

Personalised package of services: Members noted that the Netherlands is planning seven types of actions for the redundant workers covered by this application:

- intake,
- job search assistance,
- mobility pool,
- entrepreneurship promotion training and coaching,
- training and re-training,
- outplacement assistance,
- entrepreneurship promotion grant.

Members questioned why only 450 of them will be targeted by the proposed measures. They pointed to the fact that the **majority of the redundant workers are women** (59 %) who are part of the

administrative personnel or receptionists. In addition, they noted that 27 % of the redundant workers are **over 55 years old**. Members welcomed the decision of the Netherlands to target assistance on vulnerable groups and to help people changing profession, sector or region. They also noted that the coordinated package of personalised services has been developed in consultation with stakeholders and social partners.

The report called on the Commission (i) to urge national authorities to provide more details in their future proposals on sectors that have growth prospects and are therefore likely to hire; (ii) to gather substantiated data on the impact of EGF funding, including on the quality of jobs and the reintegration rate achieved through the EGF.