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

2018/2220(BUD) - 02/10/2018 - Budgetary text adopted by Parliament

The European Parliament adopted by 573 votes to 68, with 10 abstentions, a legislative 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 the Netherlands - EGF/2018/001 NL/Financial services activities).

Parliament approved the proposal for a decision to mobilise the EGF to provide a **financial contribution of EUR 1 192 500** in commitment and payment appropriations to assist the Netherlands in the event of redundancies in the financial services sector.

As a reminder, the application for EGF funding was submitted by the Netherlands 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.

Parliament noted the following points:

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.

Parliament acknowledged that, although there has been some recovery in recent years, **lending** in the mortgage market remains lower than before the financial crisis. It regretted that the financial sectors in other Member States were facing similar pressures and called on the governments of Member States to consider whether the EGF might play a useful role in enabling employees to adjust to these changes.

Proposed measures: Members noted that the Netherlands is planning seven types of actions for the redundant workers covered by this application: (i) intake, (ii) job search assistance, (iii) mobility pool, (iv) entrepreneurship promotion training and coaching, (v) training and re-training, (vi) outplacement assistance, (vii) entrepreneurship promotion grant. The mobility pool accounts for nearly 30% of the total package of personalised services.

The coordinated package of personalised services has been drawn up in consultation with **stakeholders and social partners**. In addition, Parliament stressed that the Dutch authorities have confirmed that the eligible actions do not receive assistance from other Union funds or financial instruments.

Beneficiaries: Members 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, including training for the retail sector and for new occupational profiles, such as transport, IT services and technical professions, which offer greater job opportunities.

They questioned why only **450 of them** will be targeted by the proposed measures.

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