European Globalisation Adjustment Fund (EGF) 2014-2020

2019/0180(COD) - 04/09/2019 - Legislative proposal

PURPOSE: to enable the European Globalisation Adjustment Fund to support workers made redundant as a result of the likely economic disruptions in the case of a Brexit without a withdrawal agreement.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the United Kingdom has decided to leave the European Union using the procedure provided for in Article 50 of the Treaty on European Union (TEU).

Following a request from the United Kingdom, the European Council agreed on 11 April 2019 to further extend the deadline provided for in Article 50(3) of the TEU until 31 October 2019. Unless the United Kingdom ratifies the withdrawal agreement by 31 October 2019 or requests a third extension and it is adopted unanimously by the European Council, the United Kingdom will leave the Union without agreement and become a third country on 1 November 2019.

The European Globalisation Adjustment Fund (EGF) was established by Regulation (EC) No 1927/2006 of the European Parliament and of the Council for the duration of the multiannual financial framework from 1 January 2007 to 31 December 2013. It was established to enable the Union to show solidarity towards workers who lost their jobs as a result of major structural changes in world trade patterns due to globalisation.

After analysing the risks, the European Commission concluded that this proposal was necessary to ensure an effective response from the EGF and to show solidarity with workers made redundant in the Union as a result of a withdrawal from the United Kingdom from the Union without a withdrawal agreement.

CONTENT: the proposed contingency Regulation should amend Regulation (EU) No 1309/2013 in order to specify that redundancies resulting from the withdrawal of the United Kingdom from the Union without a withdrawal agreement fall within the scope of the EGF.

Such a withdrawal would represent a major change in the EU's trade relations and the structure of the internal market and would therefore probably have significant repercussions on business models, growth and employment.

The Regulation should enter into force as a matter of urgency on the day following that of its publication in the Official Journal of the European Union and should apply from the date following that on which the Treaties cease to apply in the United Kingdom. However, it should not apply if a withdrawal agreement concluded with the United Kingdom in accordance with Article 50(2) TEU has entered into force by that date.