

European Globalisation Adjustment Fund (EGF) 2014-2020

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The Commission presents its report on the activities of the European Globalisation Adjustment Fund in 2017 and 2018.

The report provides an overview of the EGF activities and results in 2017 and 2018.

Main overview

Applications submitted

In 2017 and 2018, the Commission received 13 applications from the following 10 Member States (Belgium, Germany, Greece, Spain, France, Italy, Netherlands, Portugal, Finland and Sweden) for a total of EUR 41 million, targeting 12 896 workers and 1 155 young people not in employment, education or training. The largest numbers of workers were in the machinery/equipment sector followed by retail trade and air transport. All of them had applied for EGF funding in previous years as well.

For the first time since the start of the EGF, applications were submitted for the following sectors: mining of coal and lignite, manufacturing of rubber and plastic products, and financial services.

Decisions adopted and contributions granted

The European Parliament and Council adopted seven decisions to mobilise EGF funding in 2017 and eight decisions in 2018. In all cases, the co-financing rate was 60%.

The 15 contributions granted targeted 15 672 beneficiaries in 10 Member States, with a total amount of EUR 45 467 387 EGF co-funding and an average of EUR 2 901 per targeted beneficiary.

From the 14 517 workers targeted (representing 80% of the workers dismissed) 57% were men, 69% were aged 25 to 54 and 98% were EU citizens.

Results reported in 2017 and 2018

Member States reported back on 23 EGF cases adopted between 2014 and 2016. The results mark an increase compared to 2015-2016 and showed that 60% of the workers who participated in the measures had found new jobs by the end of the implementation period. In 2015-2016, only 47% of the assisted workers had found new jobs. Particularly high reintegration rates were observed in the following cases: Volvo Trucks (Sweden,) 84%, Broadcom (Finland) 84%, Aleo Solar (Germany) 81%, and PWA International (Ireland) 79%.

These reports showed that 12 723 workers (60% of the workers assisted) and 288 NEETs, thus 56% of the 23 030 EGF beneficiaries, had found new jobs by the end of the EGF implementation period (12 561 as employees, 450 as self-employed).

Proposed improvements

In order to ensure the EGF remains fit-for-purpose to respond to changes in the labour market and economic challenges, the Commission proposes the following improvements:

- broader scope - workers displaced because of unexpected major restructuring events, caused not only by globalisation-related challenges or financial or economic crises, but also by the transition to low-carbon economy, digitisation or automation;
- reduction of the threshold of dismissed workers (from 500 to 250) - better reflecting the average size of today's businesses where in many Member States most workers are employed by small and medium-sized enterprises. The dismissal of 250 workers has a significant impact on the labour market in most regions;
- the alignment of the EGF co-financing rate (which currently stands at 60%) with the highest ESF+ co-financing rate for the given Member State will encourage countries to apply for funding in the most efficient manner;
- faster application process and mobilisation procedure - expected to reduce the administrative burden linked to extensive justification of an application required from Member State and faster decision-making process;
- to better analyse the EGF's effectiveness the Commission proposes to extend the number of common output and results indicators in order to collect more detailed monitoring data, especially on the category of workers (professional and educational background), their employment status and the type of employment found.

EGF legislative proposal post-2020

In its proposal for the EGF post-2020, the Commission has proposed to expand its use so that it can intervene more effectively to support more workers who have lost their jobs. As a result, the EGF will offer support to workers not only in case of major structural changes in world trade patterns due to globalisation and a global financial and economic crisis, but also due to other reasons such as automation, digitalisation or transition to low-carbon economy. This takes into account the new challenges of the evolving world of work.