Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in Denmark

2024/0044(BUD) - 24/04/2024 - Budgetary text adopted by Parliament

The European Parliament adopted by 590 votes to 24, with 12 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 for Displaced Workers following an application from Denmark – EGF /2023/004 DK/Danish Crown.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial assistance contribution of **EUR 1 882 212** in commitment and payment appropriations from the EU budget for the financial year 2024, in response to the application submitted by Denmark following the displacement of 751 displaced workers affected by the closure of Danish Crown's slaughterhouse in Sæby in the Frederikshavn Municipality.

The contribution represents 60 % of the total cost of EUR 3 137 021, comprising expenditure for personalised services of EUR 2 878 001 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 259 020.

Events leading to redundancies

The Danish slaughterhouse sector is in a structural crisis. Since 2005, the number of pigs slaughtered in Denmark has decreased by 4.4 million (20 %). The decline is largely due to the shift from raising pigs for slaughter to raising piglets for export. Exporting piglets is more profitable for Danish farmers than fattening pigs for slaughter due to low pork prices.

Danish Crown is a group of Danish food companies engaged in the butchery, processing and sale of primarily pork and beef. The event giving rise to these displacements is the closure of Danish Crown's slaughterhouse in Sæby in Frederikshavn Municipality following the decline of pig available for slaughtering.

Beneficiaries

The application relates to **751 displaced workers** affected by the closure of Danish Crown's slaughterhouse in Sæby. Furthermore, 390 displaced workers in total will be targeted beneficiaries and are expected to participate in the measures.

Most of the displaced workers have low levels of formal qualifications (46 %) or rather outdated qualifications and skills (40 %). 305 (41%) of the displaced workers are of a migrant background and are not fluent in Danish. The EGF package also proposes measures on improving general competences including improving language skills in Danish.

Personalised services

Personalised services should be provided to the workers and self-employed persons consist of the following actions: motivation, retention, training on general competences, upskilling/reskilling training, and training and job-search allowance.

Denmark started providing personalised services to the targeted beneficiaries on 16 October 2023 and that the period of eligibility for a financial contribution from the EGF will therefore be from 16 October 2023 until 24 months after the date of the entry into force of the financing decision.

Parliament stressed that the Danish authorities have confirmed that the eligible actions do not receive assistance from other Union funds or financial instruments, and that the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation. Moreover, assistance from the EGF must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements, or any allowances or rights of the displaced workers, to ensure full additionality of the allocation.