

Basic information

2015/2284(INI)

INI - Own-initiative procedure

Activities, impact and added value of the European Globalisation Adjustment Fund between 2007 and 2014

Subject

4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)

Procedure completed

Key players

European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|--|------------|
| EMPL Employment and Social Affairs | HARKIN Marian (ALDE) | 28/10/2015 |
| | Shadow rapporteur SÓGOR Csaba (PPE) ULVSKOG Marita (S&D) GERICKE Arne (ECR) BOYLAN Lynn (GUE/NGL) VANA Monika (Verts/ALE) AGEA Laura (EFDD) BIZZOTTO Mara (ENF) | |
| Committee for opinion | Rapporteur for opinion | Appointed |
| INTA International Trade | JONGERIUS Agnes (S&D) | 30/11/2015 |
| BUDG Budgets (Associated committee) | DENANOT Jean-Paul (S&D) | 15/09/2015 |
| CONT Budgetary Control | VALLI Marco (EFDD) | 30/11/2015 |
| ITRE Industry, Research and Energy | The committee decided not to give an opinion. | |
| REGI Regional Development | DEUTSCH Tamás (PPE) | 17/09/2015 |

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|---------------------|--|----------------------------|---------------------|
| | FEMM Women's Rights and Gender Equality | BLINKEVIČIŪTĖ Vilija (S&D) | 09/11/2015 |
| European Commission | Commission DG | | Commissioner |
| | Employment, Social Affairs and Inclusion | | THYSSEN Marianne |

| Key events | | | |
|------------|---|--|---------|
| Date | Event | Reference | Summary |
| 22/07/2015 | Non-legislative basic document published | COM(2015)0355  | |
| 29/10/2015 | Committee referral announced in Parliament | | |
| 29/10/2015 | Referral to associated committees announced in Parliament | | |
| 21/06/2016 | Vote in committee | | |
| 05/07/2016 | Committee report tabled for plenary | A8-0227/2016 | Summary |
| 15/09/2016 | Decision by Parliament | T8-0361/2016 | Summary |
| 15/09/2016 | Results of vote in Parliament |  | |
| 15/09/2016 | Debate in Parliament |  | |
| 15/09/2016 | End of procedure in Parliament | | |

| Technical information | |
|----------------------------|--------------------------------|
| Procedure reference | 2015/2284(INI) |
| Procedure type | INI - Own-initiative procedure |
| Procedure subtype | Implementation |
| Legal basis | Rules of Procedure EP 55 |
| Other legal basis | Rules of Procedure EP 165 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | EMPL/8/04357 |

| Documentation gateway | | | | |
|------------------------|-------------|-----------|------------|---------|
| European Parliament | | | | |
| Document type | Committee | Reference | Date | Summary |
| Committee draft report | | PE578.543 | 02/03/2016 | |
| Committee opinion | REGI | PE572.895 | 20/04/2016 | |
| Committee opinion | INTA | PE577.053 | 25/04/2016 | |

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|---|--|--------------|-------------|----------------|
| Committee opinion | FEMM | PE577.082 | 25/04/2016 | |
| Amendments tabled in committee | | PE582.101 | 27/04/2016 | |
| Committee opinion | CONT | PE573.206 | 28/04/2016 | |
| Committee opinion | BUDG | PE578.509 | 25/05/2016 | |
| Committee report tabled for plenary, single reading | | A8-0227/2016 | 05/07/2016 | Summary |
| Text adopted by Parliament, single reading | | T8-0361/2016 | 15/09/2016 | Summary |
| European Commission | | | | |
| Document type | Reference | | Date | Summary |
| Follow-up document | COM(2015)0355  | | 22/07/2015 | Summary |
| Commission response to text adopted in plenary | SP(2016)876 | | 21/12/2016 | |

Activities, impact and added value of the European Globalisation Adjustment Fund between 2007 and 2014

2015/2284(INI) - 15/09/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 475 votes to 63 with 74 abstentions a resolution on the application of Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation ('Employment Equality Directive').

Prohibit discrimination: Parliament welcomed the fact that almost all Member States have included the general principle of equal treatment on specific grounds of discrimination in their constitutions. However, it regretted that **only a few Member States have systematically ensured that all existing legal texts are in line with the principle of equal treatment.**

regretting the **increase in experiences of discrimination and harassment**, Members called on the Commission to include a specific focus on all types of discrimination when monitoring the implementation of [Directive 2000/78/EC](#), and to speed up the adoption of the EU [horizontal anti-discrimination directive](#) proposed by the Commission in 2008, which was voted for by Parliament.

Members noted that non-discrimination in the field of occupation and employment is only effective if discrimination is **comprehensively combated** in all areas of life through, for example, community support, legislation and coordination tools such as strategies and frameworks at both Member State and EU levels, including the possibility of introducing **positive action measures**.

Religion and belief: studies showed that the most discriminated religious groups in the area of employment include Jews, Sikhs and Muslims (and especially women). Members recommended the adoption of European frameworks for **national strategies to combat anti-Semitism and Islamophobia**.

Given the increasingly xenophobic and Islamophobic context, Members considered that the consistent application of anti-discrimination legislation should be viewed as **an important element in radicalisation prevention strategies**. Whilst acknowledging the role played by the European Court of Human Rights' through its decisions in the interpretation of the Directive in its entirety, Members expressed regret regarding the **low number of cases referred to courts**, which contrasts with the high number of discrimination occurrences that emerge from victimisation surveys but are not pursued in justice. Parliament called upon Member States to recognise the fundamental right to freedom of conscience. It insisted that **religious freedom** is an important principle that should be respected by employers, underlining, however, that the implementation of this principle is a question of subsidiarity.

Disability: Members encouraged Member States to interpret EU law in such a way as to provide a basis for a **concept of disability** in line with the Convention on the Rights of Persons with Disabilities (CRPD). They stressed the importance of:

- **protecting disabled workers**, including those with a terminal illness, from any form of discrimination in the workplace
- ensuring that **socially responsible public procurement** might be used as an instrument to integrate people with disabilities and other vulnerable groups into the labour market;
- using **structural funds**, in particular the European Social Fund, to adapt workplaces and to provide necessary assistance for persons with disabilities at work;
- implementing an all-encompassing framework for measures enabling **access to quality employment** for persons with disabilities.

Members encouraged Member States to: (i) develop and implement an all-encompassing framework for measures enabling access to quality employment for persons with disabilities, including the possibility of using, for example, fines imposed for failure to comply with anti-discrimination

legislation; (ii) provide ongoing support to employers that hire persons with disabilities; (iii) combat prejudice against persons with disabilities, especially persons with psychosocial or intellectual disabilities.

Age: underlining the important contributions that older workers make to society and the competitiveness of companies, Parliament stressed the need to:

- **promote access to employment and integration into the labour market** of all workers regardless of their age, and to apply measures in order to protect all workers in the workplace
- study the increasing problem of unemployment among people over the age of 50 and to develop effective tools in order to reintegrate older workers into the labour market and protect them against unfair dismissal;
- upscale **digital skills** among the working population to help older people and workers with disabilities remain longer in the labour market;
- promote free high-quality public services that provide proper and necessary care and assistance for children, the sick and the elderly.

Members welcomed the Commission's initiative on **work-life balance**. They recommended that the initiative fully include measures to support informal carers and grandparents of working age, as well as young parents.

Sexual orientation: Members recalled that the scope of protection from discrimination available to trans people remains uncertain in many Member States. They called for measures to implement effectively national legislation transposing the Gender Equality Directive (recast). They also regretted the general under-reporting of all forms of discrimination against LGBTI people and highlighted the role of national LGBTI organisations as key partners in raising awareness.

In general terms, Parliament recommended, inter alia:

- developing harmonised and homogeneous statistics designed to fill in all gaps in the collection of gender equality data;
- strengthening the role of the national equality bodies, ensuring their impartiality, developing their activities and enhancing their capacities, including through the provision of adequate funding;
- displaying greater commitment in implementing the principle of equality between women and men in employment policies;
- enhancing the reconciliation of work and private life by concrete measures, such as urgently proposing new legislative proposals on the Maternity Leave Directive so as to guarantee the right for women to return to work after pregnancy and maternity leave and parental leave;
- improving complaint mechanisms at national level by strengthening national equality bodies;
- paying close attention to the rules applicable to sanctions and redress in the Member States;
- ensuring adequate training is provided for employees of national, regional and local authorities, law enforcement bodies and labour inspectorates;
- involving social partners (trade unions and employers) and civil society, including equality bodies, in the effective application of equality in employment and occupation.

Activities, impact and added value of the European Globalisation Adjustment Fund between 2007 and 2014

2015/2284(INI) - 05/07/2016 - Committee report tabled for plenary, single reading

The Committee on Employment and Social Affairs adopted the own-initiative report by Marian HARKIN (ADLE, IE) on the activities, impact and added value of the European Globalisation Adjustment Fund between 2007 and 2014.

The Committee on Budgets, exercising its prerogative as associated committees in accordance with [Article 54 of the Rules of Procedure](#), also gave its opinion on the report.

Members noted with satisfaction the finding from the Commission's report on the EGF's activities in 2013 and 2014 and welcomed the extension of the funding period from one to two years. The report noted that the EGF interventions should be directed to investments that contribute to growth, jobs, education, skills and workers' geographical mobility and should be coordinated with existing EU programmes, especially in the regions and sectors already suffering from the adverse effects of globalisation or restructuring of the economy. It noted that the European Structural and Investment Funds (ESI) can act as follow-up measures in the EGF areas of support by stimulating investment.

Members considered that the functioning of the EGF has been improved by the reforms to the regulation and that the reduced appropriations earmarked for the EGF in the annual budget have been sufficient to provide the necessary assistance and support that is both vital and necessary for people who have lost their jobs and that the Commission should make improvements to the EGF database.

The Commission is invited to **fully anticipate the effects of trade policy decisions** on the EU labour market, also considering the evidence based information of these effects that have been highlighted by the EGF application. The EGF suffers from a serious lack of awareness on the part of some Member States, social partners and companies. Thus, Members called on the Commission to step up its communication efforts in this area.

The report emphasised that the EGF cannot under any circumstances act a substitute to a serious policy to prevent and pre-empt restructurings. It stressed the importance of a true industrial policy at EU level to bring sustainable and inclusive growth. It called on the Commission to carry out **sector-specific studies on the impact of globalisation** and, on the basis of the findings, make proposals to encourage companies to anticipate changes in their industries and to prepare their workers before making them redundant.

Beneficiaries of the EGF: Members welcomed the conclusions in the Court of Auditors' report that nearly all EGF-eligible workers were able to benefit from personalised and well-coordinated measures tailored to their individual needs and that nearly 50 % of workers who received financial assistance are now back in employment. They believe that the involvement of targeted beneficiaries or their representatives, the social partners, local employment agencies and other relevant stakeholders in the initial assessment and application is essential in order to ensure positive outcomes for beneficiaries.

The report welcomed the emphasis in the new regulation on older and younger workers and the inclusion of NEETs in certain applications. The Commission is called upon to include in its mid-term evaluation of the EGF a **specific qualitative and quantitative assessment of the EGF support to young persons not in employment, education or training** (NEETs), especially in view of the implementation of the Youth Guarantee and the necessary synergies between national budgets, the ESF and the Youth Employment Initiative (YEI).

The Commission is also called upon to ensure that in all EGF applications women and men are treated equally.

Cost effectiveness and added value of the EGF: the report called on the Commission and the Member States to use the scope for implementing the EGF budget **more flexibly and effectively**, with the focus on outcomes, impact and value added. They considered that the application procedure should be made faster and invited the Commission to assess thoroughly the reasons for the low implementation rates and to propose measures to **address the existing bottlenecks** and ensure optimal use of the fund. The co-funding rate of 60 % should not be increased.

Members regretted the fact that according to the Court of Auditors one third of EGF funding compensates national workers' income support schemes with no EU added value. They also regretted the diminished funding for the EGF and considered that EGF and ESF measures should be used to complement each other.

Impact on SMEs: concerned that the EGF has had a very limited impact on SMEs, Members called on the Commission to further reorient the EGF towards SMEs which are key players in the European economy. They stipulated that there should be more use of the derogation from the eligibility threshold, particularly to benefit SMEs and to take the 'Think Small First' principle into account in the planning and application stages.

Data requirements: the report recommended Member States to:

- set **quantitative re-integration objectives** and systematically differentiate between EGF, ESF and other national measures specifically designed for workers affected by mass redundancies;
- distinguish between the two main types of EGF measures, i.e. active labour market measures and income support paid to workers,;
- provide more detailed information on the measures accessed by individual participants in order to allow a more accurate cost-benefit analysis of different measures.

The Commission is called on to provide **information on the type and quality of jobs found** by people who have been re-integrated into the labour market and on the medium term trend as regards the rate of integration achieved through EGF interventions.

Activities, impact and added value of the European Globalisation Adjustment Fund between 2007 and 2014

2015/2284(INI) - 22/07/2015

PURPOSE: to present a report on the activities of the European Globalisation Adjustment Fund (EGF) in 2013 and 2014.

CONTENT: the EGF, which was set up by Regulation (EC) No 1927/2006, was designed to reconcile the overall long-term benefits of open trade for growth and employment with the short-term adverse effects which globalisation may have, particularly on the employment of the most vulnerable and lowest-skilled workers.

The EGF is intended to provide support to workers made redundant as a result of major structural changes in world trade patterns. It co-finances active labour market policy measures taken by the Member States to help redundant workers reposition themselves on the labour market and find new jobs.

To respond more effectively to the global financial and economic crisis, the rules governing the EGF were amended first by Regulation (EC) No 546 /2009 and, since January 2014, by [Regulation \(EU\) No 1309/2013](#).

Overview: the report notes that the e Fund has undergone a remarkable development since its beginnings in 2007. It covers a wide variety of sectors and economic activities and more and more Member States have benefited from its support. In 2013 and 2014, the Commission received **30 applications for contributions from the EGF, totalling EUR 109 million**. These were submitted by 10 Member States (Belgium, Germany, Ireland, Finland, France, Greece, Italy, the Netherlands, Poland and Spain). The applications, which requested a total of **EUR 108 733 976** from the EGF, targeted **28 390 workers** made redundant as a result of structural changes in world trade patterns due to globalisation or the economic and financial crisis.

EGF applications were submitted **for the first time for 10 sectors**. The sectors concerned were: food products, slaughterhouses, chemicals, glass, manufacture of computer, electronic and optical products, jewellery, transport/warehouse, air transport, food and beverage services, programming and broadcasting, repair and installation of machinery and equipment, and information and communication.

The budgetary authority took 28 decisions targeting 27 610 redundant workers in 13 Member States, to make use of the EGF in 2013 and 2014, amounting to a total of EUR 114.4 million from the EGF's 2013-2014 budget.

Results from the EGF: the final reports presented by the 13 Member States showed that at the end of the EGF implementation period, 7 656 workers, or **44.9 %** of the 18 848 workers who received EGF assistance, **had found new jobs or were self-employed**. The Commission considers this a good result, particularly as the workers supported by EGF co-funded measures are usually among those facing the greatest difficulties on the labour market.

The support packages which the 13 Member States provided to workers made redundant included a wide range of **personalised job search, outplacement and (re)qualification measures**. The highest amounts were spent on two categories of measures:

- **training and retraining** (about EUR 56.5 million, or 32 % of the total personalised services for all 34 cases) and
- **financial allowances paid to the workers while they were pursuing active labour market policy measures** (about EUR 68.5 million, or 38.8 % of the total personalised services for all 34 cases).

Individual guidance and promotion of entrepreneurship were other frequently used measures.

The ex-post evaluation published in May 2014¹¹ indicates that the EGF made a **positive contribution to addressing significant social and labour market problems** resulting from large-scale redundancy procedures.

Trends: with the increasing number of EGF cases, the Commission possesses more data to identify trends in applications and to gain an overview of the direction of the Fund's activities.

A total of **EUR 561.1 million** has been so far requested on behalf of **122 121 workers** (this is the number of targeted workers estimated by the Member States). The report gives a detailed breakdown of data regarding the 134 applications made by Member States between 2007 and 2014.

The Commission stresses in particular:

- the trends so far show an **increasing number of sectors** for which EGF applications have been submitted, with 10 new sectors added in this reporting period ;
- Member States have **gained experience in selecting the most suitable measures**, directing their assistance to redundant workers in an efficient manner, and making use of the EGF to test new approaches;
- Member States are increasingly using the **option of reallocating funds** between measures during project implementation in order to make best use of the approved contribution.

The new EGF Regulation (2014-2020): the report recalls that failure to achieve a qualified majority in Council meant that the EGF's temporary 'crisis derogation' could not be extended beyond the end of 2011. This limited the possibilities for EU assistance to workers in 2012 and 2013, even though many were still seriously affected by the crisis.

However, the **economic and financial crisis criterion** was reintroduced by the new EGF Regulation (EU) No 1309/2013. The new Regulation also expanded the **categories of eligible workers** to include self-employed workers and workers on temporary contracts and -by derogation until the end of 2017 - young people 12 not in employment, education or training (NEETs). These changes broaden the scope for EGF support. The new streamlined adoption timeline means that measures to help workers should be implemented more quickly.

The Commission considers that if the EGF **is used to its full potential**, in a way that complements other available instruments and in consultation with the major stakeholders, workers eligible for EGF support can be helped in a **tailored and personalised manner**. This will improve their labour market opportunities in the medium and longer term as markets continue to recover from the crisis.