Basic information

2017/2058(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Finland **Subject** 3.40.06 Electronics, electrotechnical industries, ICT, robotics 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.57 2017 budget **Geographical area** Finland	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	SARVAMAA Petri (PPE)	11/04/2017
	Shadow rapporteur NEGRESCU Victor (S&D) JÄÄTTEENMÄKI Anneli (ALDE) OMARJEE Younous (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
REGI Regional Development	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Foreign Affairs	3535	2017-05-15

Key events

Date	Event	Reference	Summary

07/04/2017	Non-legislative basic document published	COM(2017)0157	Summary
26/04/2017	Committee referral announced in Parliament		
11/05/2017	Vote in committee		
12/05/2017	Budgetary report tabled for plenary	A8-0196/2017	Summary
15/05/2017	Draft budget approved by Council		
17/05/2017	Decision by Parliament	T8-0209/2017	Summary
17/05/2017	Results of vote in Parliament		
17/05/2017	End of procedure in Parliament		
03/06/2017	Final act published in Official Journal		

Technical information

Procedure reference	2017/2058(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/09688

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE602.991	18/04/2017	
Amendments tabled in committee		PE604.537	02/05/2017	
Budgetary report tabled for plenary, 1st reading		A8-0196/2017	12/05/2017	Summary
Budgetary text adopted by Parliament		T8-0209/2017	17/05/2017	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0157	07/04/2017	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2017/0951
OJ L 143 03.06.2017, p. 0009

Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Finland

2017/2058(BUD) - 17/05/2017 - Budgetary text adopted by Parliament

The European Parliament adopted by 554 votes to 70, with 8 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 to provide **EUR 2 641 800** in in commitment and payment appropriations to assist Finland faced with redundancies in its ICT sector.

Parliament recalled that the Union set up legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns or of the global financial and economic crisis and to assist their reintegration into the labour market.

Finnish application: Finland submitted application EGF/2016/008 FI/Nokia Network Systems for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 26 (Manufacture of computers, electronic and optical products) in Nokia Oy (Nokia Network Systems) and three suppliers and downstream producers, operating mainly in the NUTS level 2 regions of Helsinki-Uusimaa (Uusimaa) (FI1B), Länsi-Suomi (Pirkanmaa) (FI19) and Pohjois- ja Itä-Suomi (Pohjois-Pohjanmaa) (FI1D) and whereas 821 out of 945 redundant workers eligible for the EGF contribution are expected to participate in the measures.

Parliament noted that the conditions set out in Article 4(1)(a) of the EGF Regulation are met and that, therefore, Finland is entitled to a financial contribution of EUR 2 641 800 under that Regulation.

Nature of the redundancies: the redundancies at Nokia Oy are part of the company's worldwide transformation programme, which is needed in order to be able to compete with East Asian rivals. Members noted that the persons who became unemployed from Nokia Oy in 2016 are all either highly (40 %) or medium (60 %) qualified and had been working in programming and designing, with their professional skills in many cases outdated. 21 % of the targeted beneficiaries are over 54 years old, an age where re-employment in the job market is remarkably difficult; notes, in addition, that the unemployment rates have long been above the national average in two of the three concerned regions and that unemployment of the highly educated is overall at a high level in these regions, with the situation particularly difficult for employees over 50.

Parliament recalled that the ICT industry is highly sensitive to changes in the global market; notes that competition within the sector is global, meaning that all market players can compete for the same customers and the location and cultural background of personnel have limited significance.

It noted, in this regard, that the redundancies at Nokia Oy are part of the company's worldwide transformation programme, which is needed in order to be able to compete with East Asian rivals.

A package of personalised services: Parliament recalled that the design of the coordinated package of personalised services supported by the EGF should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

It noted that Finland is planning seven types of measures:

- coaching measures and other preparatory measures,
- employment and business services,
- training,
- start-up grants,
- expert assessments,
- pay subsidy,
- allowances for travel, overnight and removal costs.

It also noted that those actions constitute **active labour market measures**.

Members welcomed the use of the EURES network service to pass foreign job advertisements to Finnish jobseekers. They noted that international recruitment events will be arranged regionally in cooperation with EGF and EURES services. They also stressed that the Finnish authorities have confirmed that the eligible actions do not receive financial contributions from other Union financial instruments, any double financing will be prevented and the proposed actions will be complementary with actions funded by the Structural Funds.

Parliament reiterated that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements nor of measures for restructuring companies or sectors.

Lastly, Parliament recommended that Member States search for synergies with other actions funded by national or Union funds and utilise other Union programs alongside EGF measures.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Finland

2017/2058(BUD) - 07/04/2017 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Finland faced with redundancies in its ICT sector.

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

CONTENT: the rules applicable to financial contributions from the European Globalisation Adjustment Fund (EGF) are laid down in Regulation (EU) No 1309/2013 of the European Parliament and of the Council on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006.

In this context, the Commission examined the application to mobilise the EGF to assist the Netherlands and stated that:

Finland: EGF/2016/008 FI/Nokia Network Systems: on 22 November 2016, Finland submitted an application EGF/2016/008 FI/Nokia Network Systems for a financial contribution from the EGF, following redundancies in Nokia Oy (Nokia Network Systems) and 3 suppliers and downstream producers in Finland.

Finland submitted the application within **12 weeks** of the date on which the intervention criteria were met. The deadline of 12 weeks of the receipt of the complete application within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution expires on 7 April 2017.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Finland argues that the ICT sector is one of those industrial sectors most susceptible to changes in global economy, due to high competition, rapid technological progress and innovations, mergers, acquisitions and outsourcing.

In the ICT sector outsourcing of component manufacturing and in general manufacturing processes was the response of European manufacturers to the growing need of gaining a competitive advantage in a fast changing competition, mostly from East Asia.

The sector has been hit by falling prices and lower demand from telecom carriers. The competition between employees from the EU and from outside the EU is intensive.

In recent years Nokia Oy established a joint venture with Siemens for network technologies, agreed on selling some of its businesses to Microsoft and merged with Alcatel, in order to compete with bigger rivals in the network communication business.

In 2016, Nokia Oy reported on reductions in personnel.

The persons who became unemployed from Nokia Oy in 2016 are highly (40%) and medium qualified (60%). They worked in programming and designing.

To date, the `Manufacture of computer, electronic and optical products` sector has been the subject of 15 EGF applications, 12 of which based on trade related globalisation and 3 on the global financial and economic crisis. Three applications from the 15 were submitted by Finland.

Basis of the application from Finland: Finland submitted the application under the intervention criteria of Article 4(1) (a) of the EGF regulation, which requires at least 500 workers being made redundant over a reference period of four months in a Member State, including workers made redundant by suppliers and downstream producers.

The reference period of four months for the application runs from 2 June 2016 to 2 October 2016.

The total number of eligible beneficiaries is **945**.

FINANCIAL IMPLICATION: having examined the application in respect of the conditions set out in Article 13(1) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed actions and the estimated costs, the Commission proposes to mobilise the EGF for the amount of EUR 2 641 800, representing 60 % of the total costs of the proposed actions, in order to provide a financial contribution for the application.

The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council, as laid down in point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management.

At the same time as it presents this proposal for a decision to mobilise the EGF, the Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the above-mentioned.

At the same time as it adopts this proposal for a decision to mobilise the EGF, the Commission will adopt a decision on a financial contribution, by means of an implementing act, which will enter into force on the date at which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Finland

2017/2058(BUD) - 12/05/2017 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Petri SARVAMAA (EPP, FI) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund to provide **EUR 2 641 800** in in commitment and payment appropriations to assist Finland faced with redundancies in its ICT sector.

Members recalled that the Union set up legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns or of the global financial and economic crisis and to assist their reintegration into the labour market.

Finnish application: Finland submitted application EGF/2016/008 FI/Nokia Network Systems for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 26 (Manufacture of computers, electronic and optical products) in Nokia Oy (Nokia Network Systems) and three suppliers and downstream producers, operating mainly in the NUTS level 2 regions of Helsinki-Uusimaa (Uusimaa) (FI1B), Länsi-Suomi (Pirkanmaa) (FI19) and Pohjois- ja Itä-Suomi (Pohjois-Pohjanmaa) (FI1D) and whereas 821 out of 945 redundant workers eligible for the EGF contribution are expected to participate in the measures.

Members noted that the conditions set out in Article 4(1)(a) of the EGF Regulation are met and that, therefore, Finland is entitled to a financial contribution of EUR 2 641 800 under that Regulation.

Nature of the redundancies: the redundancies at Nokia Oy are part of the company's worldwide transformation programme, which is needed in order to be able to compete with East Asian rivals. Members noted that the persons who became unemployed from Nokia Oy in 2016 are all either highly (40 %) or medium (60 %) qualified and had been working in programming and designing, with their professional skills in many cases outdated. 21 % of the targeted beneficiaries are over 54 years old, an age where re-employment in the job market is remarkably difficult; notes, in addition, that the unemployment rates have long been above the national average in two of the three concerned regions and that unemployment of the highly educated is overall at a high level in these regions, with the situation particularly difficult for employees over 50.

A package of personalised services: Members recalled that the design of the coordinated package of personalised services supported by the EGF should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

They noted that Finland is planning seven types of measures:

- coaching measures and other preparatory measures,
- employment and business services,
- training,
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They noted that those actions constitute **active labour market measures**.

Members welcomed the use of the EURES network service to pass foreign job advertisements to Finnish jobseekers. They noted that international recruitment events will be arranged regionally in cooperation with EGF and EURES services.

They also stressed that the Finnish authorities have confirmed that the eligible actions do not receive financial contributions from other Union financial instruments, any double financing will be prevented and the proposed actions will be complementary with actions funded by the Structural Funds.

Members reiterated that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements nor of measures for restructuring companies or sectors.

Lastly, Members recommended that Member States search for synergies with other actions funded by national or Union funds and utilise other Union programs alongside EGF measures.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Finland

2017/2058(BUD) - 17/05/2017 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) for an amount of EUR 2 641 800 to assist Finland faced with redundancies in the ICT sector.

NON-LEGISLATIVE ACT: Decision (EU) 2017/951 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund following an application from Finland — EGF/2016/008 FI/Nokia Network Systems.

CONTENT: by this Decision, the European Parliament and the Council decided to mobilise **EUR 2 641 800** in commitment and payment appropriations under the European Globalisation Adjustment Fund in the framework of the 2017 budget. The amount shall assist Finland following the redundancies in the ICT sector.

In accordance with Regulation (EU) No 1309/2013, the Finnish application is deemed eligible.

Accordingly, the Parliament and the Council decided to give a favourable reply by granting the abovementioned amount.

As a reminder, the European Globalisation Adjustment Fund aims to provide support for workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, as a result of a continuation of the global financial and economic crisis, or as a result of a new global financial and economic crisis, and to assist them with their reintegration into the labour market.

Council Regulation (EU, Euratom) No 1311/2013 setting the multiannual financial framework for the period 2014-2020 allows the mobilisation of the Fund up to an annual ceiling of EUR 150 million.

ENTRY INTO FORCE: 3.6.2017. The decision shall apply from 17.5.2017.