Basic information

2018/2220(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in in the banking sector in the Netherlands **Subject** 2.50.04 Banks and credit 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.58 2018 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	MALETIĆ Ivana (PPE)	20/08/2018
	Shadow rapporteur ALI Nedzhmi (ALDE)	

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
General Affairs	3636	2018-09-18

European Commission

Commission DG	Commissioner
Employment, Social Affairs and Inclusion	THYSSEN Marianne

Key events

Date	Event	Reference	Summary
		COM(2018)0548	Summary

20/07/2018	Non-legislative basic document published		
10/09/2018	Committee referral announced in Parliament		
18/09/2018	Draft budget approved by Council		
25/09/2018	Vote in committee		
27/09/2018	Budgetary report tabled for plenary	A8-0294/2018	Summary
02/10/2018	Decision by Parliament	T8-0363/2018	Summary
02/10/2018	Results of vote in Parliament		
12/11/2018	Final act published in Official Journal		

Technical information

Procedure reference	2018/2220(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/8/14460

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.936	28/08/2018	
Amendments tabled in committee		PE627.667	07/09/2018	
Budgetary report tabled for plenary, 1st reading		A8-0294/2018	27/09/2018	Summary
Budgetary text adopted by Parliament		T8-0363/2018	02/10/2018	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0548	20/07/2018	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2018/1675
OJ L 284 12.11.2018, p. 0036 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in in the banking sector in the Netherlands

2018/2220(BUD) - 20/07/2018 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist the Netherlands faced with redundancies in the financial services industry.

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

CONTENT: the rules applicable to financial contributions from the European Globalisation Adjustment Fund 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 considered the request to mobilise the EGF to assist the Netherlands and stated the following:

The Netherlands - Application EGF/2018/001 NL/Financial service activities: on 23 February 2018, the Netherlands submitted an application for a financial contribution from the EGF following 1324 redundancies in the economic sector classified under the NACE Revision 2 Division 64 - Financial service activities, except insurance and pension funding in the NUTS level 2 regions of NL12 - Friesland, NL13 - Drenthe and NL21 - Overijssel in the Netherlands.

In order to establish the link between the redundancies and the global financial and economic crisis, the Netherlands argues that the financial and economic crisis had **serious impact on the services and functioning of the Dutch banks**. The low interest rate environment, introduced as a response to the financial crisis, the stricter regulatory conditions, the substantial decline of the mortgage market and in the credit provision for small and medium sized enterprises (SMEs) caused falling profitability and created an urgent need for reduction of costs.

As a result banks reduced their staff, mainly by closing of regional branch offices and transforming towards online banking. Half of the branch offices disappeared in 2004-2014 and the trend is still going on. Most of the dismissed persons are those who dealt directly with the clients and who were engaged in related administration.

To date, the `Financial service activities, except insurance and pension funding` sector has **not been subject of any EGF application**.

Basis of the Dutch request: the Netherlands submitted the application under the intervention criteria of Article 4(1)(b) of the EGF regulation, which requires at least 500 workers being made redundant over a reference period of nine months in enterprises operating in the same economic sector defined at NACE Revision 2 Division and located in one or two contiguous regions defined at NUTS 2 level in a Member State.

The reference period of nine months for the application runs from 24 March 2017 to 24 December 2017.

The application relates to **1 324 workers** made redundant, the majority of workers are aged between 30 and 54. The redundancies are expected to have a significant adverse effect on the local economy.

The Netherlands is considering **seven types of actions** in favour of the dismissed employees that are the subject of the application: (i) intake; (ii) job search assistance; (iii) mobility pool; (iv) entrepreneurship promotion training and coaching; (v) training and re-training; (vi) outplacement assistance; (vii) entrepreneurship promotion grant.

BUDGETARY IMPLICATION: following its assessment of this application, the Commission concluded, in accordance with all applicable provisions of the EGF Regulation, that the conditions for awarding a financial contribution from the EGF are met. It proposed to mobilise the EGF for the amount of **EUR 1 192 500**, 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 amount requested.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in in the banking sector in the Netherlands

2018/2220(BUD) - 02/10/2018 - Budgetary text adopted by Parliament

The European Parliament adopted by 573 votes to 68, with 10 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (application submitted by the Netherlands - EGF /2018/001 NL/Financial services activities).

Parliament approved the proposal for a decision to mobilise the EGF to provide a **financial contribution of EUR 1 192 500** in commitment and payment appropriations to assist the Netherlands in the event of redundancies in the financial services sector.

As a reminder, the application for EGF funding was submitted by the Netherlands following **1 324 redundancies in the economic sector covered by the 'financial services activities, except insurance and pension funding'** in the NUTS level 2 regions of Friesland, Drenthe and Overijssel in the Netherlands.

Parliament noted the following points:

Reasons for the redundancies: the Netherlands argued that the financial and economic crisis has had a **serious impact on the services and operations of Dutch banks**. The low level of interest rates, introduced in response to the financial crisis, stricter regulatory conditions, the substantial decline in the mortgage market and the credit provision to small and medium-sized enterprises (SMEs) have led to a decline in profitability and created an urgent need to reduce costs. As a result, **banks have reduced their staff**, mainly by closing regional branches and converting to online banking.

Parliament acknowledged that, although there has been some recovery in recent years, **lending** in the mortgage market remains lower than before the financial crisis. It regretted that the financial sectors in other Member States were facing similar pressures and called on the governments of Member States to consider whether the EGF might play a useful role in enabling employees to adjust to these changes.

Proposed measures: Members noted that the Netherlands is planning seven types of actions for the redundant workers covered by this application: (i) intake, (ii) job search assistance, (iii) mobility pool, (iv) entrepreneurship promotion training and coaching, (v) training and re-training, (vi) outplacement assistance, (vii) entrepreneurship promotion grant. The mobility pool accounts for nearly 30% of the total package of personalised services.

The coordinated package of personalised services has been drawn up in consultation with **stakeholders and social partners**. In addition, Parliament stressed that the Dutch authorities have confirmed that the eligible actions do not receive assistance from other Union funds or financial instruments.

Beneficiaries: Members pointed to the fact that the majority of the redundant workers are **women** (59 %) who are part of the administrative personnel or receptionists. In addition, they noted that 27 % of the redundant workers are over 55 years old. Members welcomed the decision of the Netherlands to target assistance on **vulnerable groups** and to help people changing profession, sector or region, including training for the retail sector and for new occupational profiles, such as transport, IT services and technical professions, which offer greater job opportunities.

They questioned why only **450 of them** will be targeted by the proposed measures.

The Commission was called on to: (i) urge national authorities to provide more details in their future proposals on sectors that have growth prospects and are therefore likely to hire; (ii) gather substantiated data on the impact of EGF funding, including on the quality of jobs and the reintegration rate achieved through the EGF.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in in the banking sector in the Netherlands

2018/2220(BUD) - 27/09/2018 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Ivana MALETIĆ (EPP, HR) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, for a total of **EUR 1 192 500** in commitment and payment appropriations, to assist the Netherlands facing redundancies in the financial services sector.

The European Globalisation Adjustment Fund is intended to provide additional assistance to workers suffering from the consequences of major structural changes in world trade patterns.

Dutch application: the Netherlands submitted an application for a financial contribution from the EGF following **1 324 redundancies** in the economic sector covered by the 'financial services activities, except insurance and pension funding' in the NUTS level 2 regions of Friesland, Drenthe and Overijssel in the Netherlands.

Given that the redundancies that occurred in 20 enterprises operating in the Dutch banking sector are expected to have a significant adverse effect on the local economy, Members considered that that the conditions laid down in Article 4(1) of the EGF Regulation have been met and that the Netherlands is entitled, within the framework of the general budget of the Union for the 2018 financial year, to a **financial contribution of EUR 1 192 500, representing 60% of the total cost of EUR 1 987 500**.

Reasons for the redundancies: the Netherlands argued that the financial and economic crisis has had a **serious impact on the services and operations of Dutch banks**. The low level of interest rates, introduced in response to the financial crisis, stricter regulatory conditions, the substantial decline in the mortgage market and the credit provision to small and medium-sized enterprises (SMEs) have led to a decline in profitability and created an urgent need to reduce costs. As a result, banks have reduced their staff, mainly by closing regional branches and converting to online banking.

Members regretted that the financial sectors in other Member States are under similar pressure and suggested that Member State governments consider whether the EGF could play a useful role in enabling employees to adjust to these changes.

Personalised package of services: Members noted that the Netherlands is planning seven types of actions for the redundant workers covered by this application:

- intake,
- job search assistance,
- mobility pool,
- entrepreneurship promotion training and coaching,
- training and re-training,
- outplacement assistance,
- entrepreneurship promotion grant.

Members questioned why only 450 of them will be targeted by the proposed measures. They pointed to the fact that the **majority of the redundant workers are women** (59 %) who are part of the administrative personnel or receptionists. In addition, they noted that 27 % of the redundant workers are **over 55 years old**. Members welcomed the decision of the Netherlands to target assistance on vulnerable groups and to help people changing profession, sector or region. They also noted that the coordinated package of personalised services has been developed in consultation with stakeholders and social partners.

The report called on the Commission (i) to urge national authorities to provide more details in their future proposals on sectors that have growth prospects and are therefore likely to hire; (ii) to gather substantiated data on the impact of EGF funding, including on the quality of jobs and the reintegration rate achieved through the EGF.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in in the banking sector in the Netherlands

2018/2220(BUD) - 12/11/2018 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist the Netherlands in the event of redundancies in the financial services industry.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1675 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund following an application from the Netherlands - EGF/2018/001 NL/Financial service activities.

CONTENT: with this Decision, the European Parliament and the Council decide to mobilise **EUR 1 192 500** in commitment and payment appropriations from the European Globalisation Adjustment Fund (EGF) under the 2018 budget.

This amount is granted in response to the EGF application submitted by the Netherlands on 23 February 2018 for redundancies in 20 enterprises operating in the financial services sector in the following regions: Friesland, Drenthe and Overijssel.

In accordance with Regulation (EU) No 1309/2013 of the European Parliament and of the Council on the EGF for the period 2014-2020, this application complies with the conditions for determining the amount of the financial contribution from the EGF.

As a reminder, the EGF aims to provide support for workers made redundant 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. It has an annual budget of up to EUR 150 million for the period 2014-2020.

ENTRY INTO FORCE: 12.11.2018. In order to minimise the time taken to mobilise the EGF, this decision shall apply from the date of its adoption, i. e. 2.10.2018.