European Parliament

2014-2019



TEXTS ADOPTED

P8 TA(2015)0262

Mobilisation of the European Globalisation Adjustment Fund: application EGF/2015/001 FI/Broadcom

European Parliament resolution of 8 July 2015 on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, in accordance with 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 (application EGF/2015/001 FI/Broadcom, from Finland) (COM(2015)0232 – C8-0135/2015 – 2015/2125(BUD))

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2015)0232 – C8-0135/2015),
- having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006¹ (EGF Regulation),
- having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020², and in particular Article 12 thereof,
- having regard to 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 management³ (IIA of 2 December 2013), and in particular point 13 thereof,
- having regard to the trilogue procedure provided for in point 13 of the IIA of 2 December 2013,
- having regard to the letter of the Committee on Employment and Social Affairs,
- having regard to the letter of the Committee on Regional Development,

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¹ OJ L 347, 20.12.2013, p. 855.

² OJ L 347, 20.12.2013, p. 884.

³ OJ C 373, 20.12.2013, p. 1.

- having regard to the report of the Committee on Budgets (A8-0210/2015),
- A. whereas the Union has 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;
- B. whereas the Union's financial assistance to workers made redundant should be dynamic and made available as quickly and efficiently as possible, in accordance with the Joint Declaration of the European Parliament, the Council and the Commission adopted during the conciliation meeting on 17 July 2008, and having due regard to the IIA of 2 December 2013 in respect of the adoption of decisions to mobilise the European Globalisation Adjustment Fund (EGF);
- C. whereas the adoption of the EGF Regulation reflects the agreement reached between the Parliament and the Council to reintroduce the crisis mobilisation criterion, to increase the Union financial contribution to 60 % of the total estimated cost of proposed measures, to increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening the time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses;
- D. whereas Finland submitted application EGF/2015/001 FI/Broadcom for a financial contribution from the EGF following 568 redundancies in Broadcom Communications Finland, operating in the NACE Rev. 2 division 46 ('Wholesale trade, except of vehicles and motorcycles')¹, and 2 suppliers or downstream producers;
- E. whereas the application fulfils the eligibility criteria set up by the EGF Regulation;
- 1. Agrees with the Commission 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 1 365 000 under that Regulation;
- 2. Notes that the Finnish authorities submitted the application for an EGF financial contribution on 30 January 2015, and that its assessment was made available by the Commission on 2 June 2015; welcomes the speedy evaluation of less than five months;
- 3. Recalls that, during the 2000s, personnel numbers in Finnish subsidiaries on all continents increased, until Asia emerged as the greatest employer in the electronics and electrical industry in 2004 and personnel numbers in Europe started declining; considers that the redundancies in Broadcom are partly linked to the trend that affects the entire Finnish electronics industry and that culminated in Nokia's announcement of large-scale redundancies in 2011; concludes however that those events are substantially linked to major structural changes in world trade patterns due to globalisation;

Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

- 4. Notes that these redundancies will further aggravate the unemployment situation particularly in the region of Northern Ostrobothnia (part of the NUTS¹ level 2 region FI1A), where 424 of the 568 redundancies occurred; notes that in that region the unemployment rate is consistently a couple of percentage points higher than the national average; notes that in August 2014, while the national unemployment rate was 12,2 %, in Northern Ostrobothnia it was 14,1 % and in the most affected city, Oulu, it was 16,1 % and that the same region was strongly affected by the large-scale Nokia redundancies from 2011 onwards:
- 5. Considers that the enterprise surveys and visits are actions which may benefit not only dismissed workers covered by this application, but may also contribute to building knowledge about employment issues within this sector for future redundancies; notes that these specific actions are already a continuation of a similar measure carried out during an earlier EGF case in Finland (EGF/2013/001 FI/Nokia);
- 6. Notes that, to-date, the 'Wholesale trade, except of vehicles and motorcycles' sector has been the subject of one other EGF application (EGF/2010/012 NL/Noord Holland ICT) which was also based on the globalisation criterion;
- 7. Notes with satisfaction that, in order to provide workers with speedy assistance, the Finnish authorities decided to initiate the implementation of the personalised services to the affected workers on 11 August 2014, well ahead of the decision and even the application on the granting the EGF support for the proposed coordinated package;
- 8. Notes that Finland is planning three types of measures for the redundant workers covered by this application: (i) helping them to transfer to a new job, (ii) helping them to start their own business, and (iii) providing training or education;
- 9. Notes that the authorities plan to use 17,46 % of all costs on allowances and incentives in the form of pay subsidies (as part of the salary for each employment relationship established for a targeted worker) and allowances for travel, overnight and removal costs, which amounts to half of the maximum allowed 35 % of all costs for such measures:
- 10. Welcomes the procedures that the Finnish authorities have followed to consult the targeted beneficiaries or their representatives or the social partners as well as local and regional authorities;
- 11. Recalls the importance of improving the employability of all workers by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career; expects the training on offer in the coordinated package to be adapted not only to the needs of the dismissed workers but also to the actual business environment;
- 12. Recalls that, in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should anticipate future labour market perspectives and

Commission Regulation (EU) No 1046/2012 of 8 November 2012 implementing Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) as regards the transmission of the time series for the new regional breakdown (OJ L 310, 9.11.2012, p. 34).

- required skills and should be compatible with the shift towards a resource-efficient and sustainable economy;
- 13. Welcomes the complementarity of the proposed EGF interventions with other actions funded by national or Union funds;
- 14. Notes that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on complementarity with actions funded by the Structural Funds; stresses that the Finnish authorities confirm that the eligible actions do not receive assistance from other Union financial instruments; reiterates its call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect of the existing regulations and that no duplication of Union-funded services can occur;
- 15. Appreciates the improved procedure put in place by the Commission following the Parliament's request for the accelerated release of grants; notes the time pressure that the new timetable implies and the potential impact on the effectiveness of case instruction;
- 16. Approves the decision annexed to this resolution;
- 17. Instructs its President to sign the decision with the President of the Council and arrange for its publication in the *Official Journal of the European Union*;
- 18. Instructs its President to forward this resolution, including its annex, to the Council and the Commission.

ANNEX

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund (application from Finland - EGF/2015/001 FI/Broadcom)

(The text of this annex is not reproduced here since it corresponds to the final act, Decision (EU) 2015/1477.)