

**European Globalisation Adjustment Fund: application EGF/2012/006
FI/Nokia Salo**

European Parliament resolution of 12 December 2012 on the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund, in accordance with point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (application EGF/2012/006 FI/Nokia Salo from Finland) (COM(2012)0619 – C7-0360/2012 – 2012/2276(BUD))

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2012)0619 – C7-0360/2012),
 - having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management¹ (IIA of 17 May 2006), and in particular point 28 thereof,
 - having regard to Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund² (EGF Regulation),
 - having regard to the "Growth and Jobs Compact" and the conclusions of the European Council of 28 June 2012,
 - having regard to the Council's position on the annual 2013 budget of the European Union adopted on 23 July 2012,
 - having regard to the results of the trilogue procedure provided for in point 28 of the IIA of 17 May 2006,
 - having regard to the letter of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgets (A7-0418/2012),
- A. whereas the Union has set up legislative and budgetary instruments to provide additional support to workers who are suffering as a result of major structural changes in world trade patterns and to assist workers' reintegration into the labour market,
- B. whereas the scope of the European Globalisation Adjustment Fund (EGF) was broadened for applications submitted from 1 May 2009 to include support for workers made redundant as a result of the global social, financial and economic crisis,
- C. whereas the Union's financial assistance to workers made redundant should be made available immediately and efficiently, in accordance with the Joint Declaration of the

¹ OJ C 139, 14.6.2006, p. 1.

² OJ L 406, 30.12.2006, p. 1.

European Parliament, the Council and the Commission adopted during the conciliation meeting on 17 July 2008,

- D. whereas Finland has requested assistance for 1 000 redundancies, all of which are targeted for assistance, in Nokia plc (Salo) in Finland,
- 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 2(a) of the EGF Regulation are met and that Finland is therefore entitled to a financial contribution under that Regulation;
 2. Notes that the Finnish authorities submitted the application for EGF financial contribution on 4 July 2012 and that its assessment was only made available by the Commission on 19 October 2012; welcomes the fact that the application was submitted immediately after the reference period allowing for instant response to the dismissals; also welcomes the speedy evaluation period by the Commission;
 3. Acknowledges that in order to provide workers with immediate assistance, the Finnish authorities started the implementation of the social measures on 29 February 2012 - ahead of the final decision on granting the EGF support for the proposed coordinated package;
 4. Regrets that the redundancies in Salo in Finland and in Cluj in Romania (application EGF/2011/014/ RO/Nokia from Romania) stem from a corporate decision of Nokia to move its production plants to Asia and are part of its plan to reduce global employment in Nokia Corporation by 17 000 workers by the end of 2013;
 5. Emphasises the key importance of adapted training and recognition of skills and competences gained throughout the professional career; stresses that it is essential that the training on offer in the coordinated package is adapted and is adequate to the needs and level of the dismissed workers, taking into account their social and economic background;
 6. Notes that the Commission proposal indicates that another EGF application is expected to cover the second round of dismissals in Nokia in Salo;
 7. Requests the institutions involved make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF; appreciates the improved procedure put in place by the Commission, following Parliament's request for accelerating the release of grants, aimed at presenting the Commission's assessment on the eligibility of an EGF application, along with the proposal to mobilise the EGF, to the budgetary authority; hopes that further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund (2014–2020) and that greater efficiency, facilitated mobilization, transparency and visibility of the EGF will be achieved;
 8. Calls for reciprocity in trade between the Union and third countries as an essential condition for companies in the Union to gain access to new non-European markets;
 9. Observes that, so far this year, 19 EGF mobilization cases have been submitted by the Commission to the budgetary authority on behalf of France, Spain, Denmark, the Netherlands, Austria, Romania, Sweden, Italy, Ireland, Germany and Finland to finance

active labour market measures for 15 381 redundant workers, for the total amount of EUR 74 266 222 of EGF assistance;

10. Notes that the Salo area was heavily dependant on Nokia as an employer and grew into a highly specialised region in information technology and communication technology; notes that the dismissals in Nokia will seriously affect the local employment market, as it is expected that the unemployment rate may rise to 17 % as a result of the current Nokia redundancies;
11. Recalls the institutions' commitment to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF, providing individual support which is geared towards helping workers who have been made redundant as a result of globalisation and the financial and economic crisis; emphasises the role that the EGF can play in the reintegration of workers made redundant into the labour market;
12. Welcomes the fact that a working group, which is widely representative of workers, has been set up to deal with the reorganisation of Nokia and advise on a range of issues, such as well-being, further studies, new jobs outside Nokia and business opportunities;
13. Stresses that, in accordance with Article 6 of the EGF Regulation, it should be ensured that the EGF supports the reintegration of individual redundant workers into employment; further stresses that the EGF assistance can only co-finance active labour market measures which lead to durable, long-term employment; reiterates that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements, nor measures restructuring companies or sectors; deplores the fact that the EGF might provide an incentive for companies to replace their contractual workforce with a more flexible and short-term one;
14. Considers the cost of the coordinated package of personalised services (approximately EUR 10 000 per worker) as high; notes, however, that the package contains innovative measures such as a protomo-matching service for new business start-ups and that financial allowances to be covered by the EGF are limited; welcomes the fact that the measures are well described in the Commission proposal;
15. Notes that the information provided about the coordinated package of personalised services to be funded from the EGF includes information about how it complements actions funded by the Structural Funds; 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;
16. Regrets that there are no details available regarding various training measures to be provided within the coordinated package and how these are matched with the local skills and qualification needs and possible areas of future growth in the region, given the structural changes the region is currently experiencing;
17. Acknowledges that following requests from Parliament, the 2012 budget shows payment appropriations of EUR 50 000 000 on the EGF budget line 04 05 01; notes, however, that for the second consecutive year, these payment appropriations have turned out to be insufficient to cover the funding requests for a whole year and the missing payment appropriations have to be marshalled though an amending budget by means of transfers from other budget lines; believes that both these facts do not denote sound budgeting;

recalls that the EGF was created as a specific instrument to give an immediate and adequate response to mass redundancies due to the direct and indirect effects of globalisation; emphasises that without adequate appropriations, and in order to avoid systematic transfers from other budget lines, as has happened in the past, neither the emergency nature of the EGF or its integrity can be guaranteed;

18. Welcomes the fact that, in view of the structural changes in the region, the use of the EGF and the European Social Fund and the division of responsibilities between the two Funds has been coordinated by a dedicated project group, involving regional authorities and the social partners, which established strategic guidelines and goals for the region;
19. Regrets the decision of the Council to block the extension of the "crisis derogation", which allows for the provision of financial assistance to workers made redundant as a result of the current financial and economic crisis in addition to those losing their job because of changes in global trade patterns, and allows for an increase in the rate of Union co-financing to 65 % of the programme costs, for applications submitted after the 31 December 2011 deadline; calls on the Council to reintroduce this measure without delay;
20. Considers that the payment of subsistence allowances of EUR 7 500 per worker for 360 workers is excessive; recalls that the EGF should, in future, be primarily allocated to training and job searches, as well as occupational orientation programmes and its financial contribution to allowances should always be of an additional nature and in parallel with what is available to dismissed workers by virtue of national law or collective agreements;
21. Regrets that the Commission proposal does not explain if Nokia was involved in the creation of the package of services and the possible co-financing of the measures;
22. Approves the decision annexed to this resolution;
23. Instructs its President to sign the decision with the President of the Council and to arrange for its publication in the *Official Journal of the European Union*;
24. 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, in accordance with point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (application EGF/2012/006 FI/Nokia Salo from Finland)

(The text of this annex is not reproduced here since it corresponds to the final act, Decision 2013/19/EU.)