



European  
Commission

# EGF

## Key Achievements 2013-2014

### What is the European Globalisation Adjustment Fund (EGF)?

The European Globalisation Adjustment Fund (EGF) was set up in 2006 to express EU solidarity with workers affected by mass redundancies triggered by shifting world trade patterns. The scope of the Fund was later widened to include also mass lay-offs caused by the Economic and Financial Crisis. Between 2007 and 2014, the European Commission approved 134 EGF applications from Member States, who requested EUR 561.1 million to support 122 121 redundant workers. The EGF measures are delivered in a combination of projects run by national and/or regional authorities. This leaflet seeks to highlight activities supported by the EGF in 2013-14. The information presented is based on the Biennial Report on the EGF which the Commission submitted to the European Parliament and the Council on 22 July 2015.



### EGF actions in 2013-14

During the last two years the EGF helped in many sectors of the economy and intervened when major enterprises downsized or ceased activity, with consequences for thousands of workers. However, the EGF also supported Member States when smaller enterprises faced difficulties in cases where the redundancies had a large impact on the local economy and labour market. While the mass lay-offs due to globalisation still predominately happen in heavy industries, the global financial and economic crisis also resulted in a wider occurrence of major-layoffs taking place in the service sectors.

The EGF can support active labour market policy measures, which are complementary to assistance provided for redundant workers through national instruments.

The measures supported by the EGF consist primarily of the following:

- intensive personalised job search assistance and case management;
- a variety of vocational training, upskilling, and retraining measures;
- various temporary financial incentives/allowances for the duration of the active support measures up to when the workers actually went back into employment;
- some mentoring during the initial phase in the new job;
- other types of activities, such as entrepreneurship promotion/business creation, and one-off employment/hiring incentives.

When designing their support packages, Member States took into account the backgrounds, experiences and educational levels of the individual workers, their ability to be mobile and the current or expected job opportunities in the regions concerned. It is important to note that passive social protection measures, such as unemployment and social benefits as well as pensions, cannot be supported by the EGF.

### Key achievements in 2013-2014

The following information concerns the three main activities in 2013-2014, i.e. applications received, EGF support granted and final reports on implemented cases analysed.

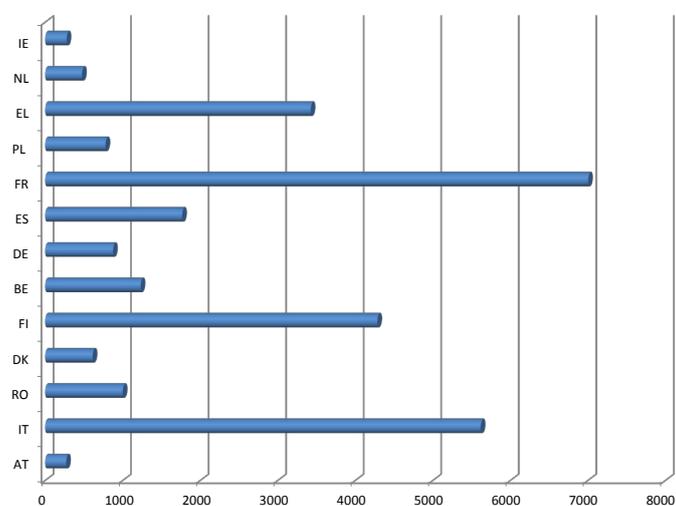
In 2013 and 2014, the Commission received 30 applications for contributions from the EGF totalling EUR 109 million. The applications targeted 28,390 workers made redundant as a result of structural changes in world trade patterns due to globalisation or the global financial and economic crisis. The applications came from 10 Member States, namely Belgium, Germany, Ireland, Finland, France, Greece, Italy, the Netherlands, Poland, and Spain.

While the average EGF amount requested per case was EUR 3.6 million and the average number of workers targeted was

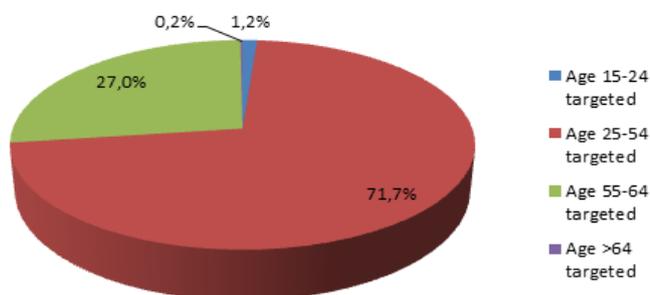
946, the contributions varied a great deal depending on the package of services put together by the Member States. On the one hand, the EGF was used in some cases to provide very specialised services to a very limited group of workers, while in other cases the EGF supported a range of services to a larger number of workers. Member States can design the assistance themselves based on the labour market situation in the area and the skill-needs of the workers.

During the same period, the European Parliament and Council approved 28 decisions to grant support from the EGF totalling EUR 114.4 million. These supported 27 610 redundant workers in 13 Member States. As can be seen from the graph below, most workers targeted came from France, Italy, Greece and Finland, which all saw their labour market situation deteriorate in the last few years.

**Contributions granted: Workers targeted per Member State in 2013-2014**



Of workers targeted, 69 % were men, mainly due to the fact that the redundancies took place in heavy industries. The targeted workers were largely in the age group 25-54 (71.7 %) but many older workers also received support from the EGF (27 % of the workers were in the 55-64 age bracket).

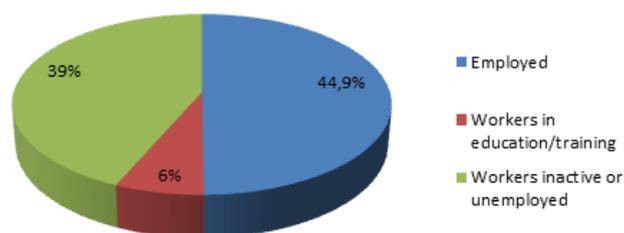


Member States are encouraged to take special care of older, younger and disadvantaged workers when designing their EGF support packages. Since 2014, new rules have allowed several applications to include assistance for young people not in employment, education or training

(NEETs) to support the implementation of the Youth Employment Initiative set up in 2013 to ensure that young people are not left without assistance. The EGF support for young people is part of the EU's extensive efforts to combat the unacceptably high youth unemployment in Europe following the financial and economic crisis. The support for NEETs has been agreed until the end of 2017.

**The report** on EGF activities in 2013 and 2014 also looks at EGF cases which were finalised in the period. As has been the case in previous years, for many people the EGF has been a good pathway to re-employment. As much as 44.9 % of the workers who received EGF assistance had found a new job or were self-employed at the end of the implementation period. Approximately 6 % were still in education or training and 39.1 % had either withdrawn from the labour market (e.g. retired) or were still unemployed.

**Labour market Status after participation in EGF supported activities**



Such impressive results are seldom achieved by basic active labour market policy measures alone, and give testament to the efficacy of the EGF's personalised approach for each redundant worker and the Fund's ability to provide specialised services and training opportunities.

## The EGF in action! How EGF creates new businesses

**Denmark:** An EGF application which received funding during the past two years, concerned mass redundancies at the Danish wind turbine producer, Vestas. The company was faced with difficulties due to increased competitiveness of Asian wind turbine producers and a shift in global demand, leading to falling market shares for EU producers. While most of those who were well qualified quickly regained employment, the low-skilled, older and/or disadvantaged workers were in need of support. Nearly all of the people supported through EGF were up-skilled and entered into employment once more, and perhaps most importantly, they were better positioned on the labour market. Since the lay-offs took place in a remote area of Denmark with a fairly isolated labour market, great attention during the project was given to creating new enterprises. This EGF supported package of measures led to the creation of 25 new businesses, which are operating within a

broad range of sectors including, health care, tourism, retail, off-shore energy, ICT, human resources, finance and taxation. Among the businesses created, one produces gloves for people with disabilities affecting their hands and another produces safety equipment for workers. All of these businesses are doing well and approximately half of them have commenced hiring additional employees.

The following testimonials are from participants:

*“This was a fantastic opportunity for me and provided access to give a good basis for my company and get help for training, which raised my competencies considerably. The support allowed us to start strategic cooperation in a sector, which has a great potential for growth”.*

*“Thank you for a great treatment. There were many good possibilities to change sectors and move on with my life”.*



**Romania:** The Romanian County of Cluj lost an important employer with the closure of the Nokia production facility in the area. With the help of the EGF, 63 % of the targeted workers (more than a 1 000 people) managed to find new employment after participating in active labour market policy measures. 63 new businesses were created as a result of the entrepreneurial support partly financed by the EGF. One of these businesses was created by the Moldovan family. With EGF assistance, Mariana and Mircea Moldovan received training as carpenters, undertook courses in entrepreneurship and received financial support to start up their own furniture business. They now benefit from the support of each other in managing the business. Their business is expanding and becoming increasingly successful.

Mircea Moldovan:

*“We have a greater responsibility on our shoulders, but it is a pleasant burden and I am glad about it. I like working for myself and I love my business”.*

**Ireland:** Talk Talk Broadband Services provided telecom services to customers in the United Kingdom and Ireland. Due to globalisation, the company had to halt operations at several service centres. The EGF stepped in to offer support to the workers who were made redundant in Waterford. The support package provided offered workers excellent opportunities to embark on a new career. One such opportunity involved the pursuing of higher education. One of the workers who took advantage of this opportunity was 56 year-old Shay Purcell. Shay obtained a Master of Business Administration (MBA) degree from the University of Limerick. The EGF programme also provided Shay with entrepreneurial support which allowed him to get his consultancy firm up and running. Shay’s very successful business offers an extensive range of tailored solutions in career transition and outplacement services to both businesses and individuals.

Shay Purcell:

*“The EGF has been a tremendous support to me. It provided me with the necessary funding to build a new career and start my own business. EGF funding presented to me a platform with a second chance that I always thought was unattainable”.*



**Sweden:** The EGF supported the redundant workers when the automotive producer Saab closed production. The Fund allowed the redundant workers to receive higher quality, more diversified and longer upskilling offers than would otherwise have been possible. One of the participants, who benefited from the EGF support, was former security guard, Malin Nyman. With the help of the EGF, she was able to fulfil her dream of getting a university degree in political science and economics.

Malin Nyman:

*“The EGF allowed me to study political science and national economy and I am extremely grateful for this opportunity. My dream job is to work on the strategic analysis of global changes”.*



Ms Nyman highlights the close contact between case handlers and beneficiaries as key to successful labour market re-integration.

## What makes the EGF different ?

The EGF is designed to supplement national and European labour market instruments in situations where the regular measures are not sufficient to cope with the scope and nature of a mass layoff. Public Employment Services are generally accustomed to a steady inflow of people who need help in order to find a new job and/or gain additional qualifications. However, they are ordinarily not prepared to deal with an unusually high number of people in need of support within a short time frame. In these situations, the EGF can step in and help set up a temporary support structure, in order to ensure that these people get the assistance they need. Often, the National Public Employment Services are able to provide basic support, while more personalised guidance and training (for instance individual pathways and specialised training courses) can only be made available through the EGF. The EGF thereby complements the European Social Fund (ESF), which is the major EU instrument used to strengthen European labour markets, as the ESF seeks to reinforce the general structures and policies related to the national labour markets (for instance by promoting life-long learning).

### More information ?

[EGF website](#)

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