



How can the Commission accompany restructuring processes?

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Current situation – Facts and figures

- *Since 2002, the European Monitoring Centre on Change (EMCC) has registered **more than 15,000 restructuring operations**, with a **net job loss of over 2.3 million***
- *The European Restructuring Monitor (ERM – data limitations) counted **329 restructuring operations in the first quarter of 2013**. These cases involved **100,547 job reductions against 34,113 job creations**, thus **amounting to a net job loss of 66,434**.*
- *For the same data in 2007, the overall result amounted to a **net job creation of 51,749 for 420 restructuring cases**.*

1. Restructuring and anticipation of change



Previous Commission's work

- **January 2002:** *the Commission launched the debate on this issue with a first-stage consultation of the European Social Partners on restructuring*
- **October 2003:** *answering that consultation, the European Social Partners elaborated a set of Orientations for reference in managing change and its social consequences*
- **March 2005:** *the Commission, through a second stage consultation, asked the Social Partners, to update and find ways of ensuring the application of the Orientations for reference*

Previous Commission's work (2)

- **June 2009**, the Commission includes in its Communication "A shared commitment for Employment", a "Restructuring Toolkit" and a "Checklist on Restructuring Processes"; which gather the knowledge acquired on the best practices of anticipating, preparing and managing restructuring in a socially responsible way
- **In 2010**, the Social partners also published a Report on 27 national seminars organised between 2003-2009
- In parallel, several **Restructuring forums** have been organised in order to exchange views and experiences on how to better anticipate, prepare and manage restructuring

Previous Commission's work (3)

- **January 2012:** *the Commission launched a wider consultation on restructuring through a Green Paper: Restructuring and anticipation of change: what lessons from recent experience?*
- **2012- January 2013:** *The European Parliament carried on a debate on a request to be made to the Commission under Article 225 TFUE for a proposal for a Directive on anticipation of change and restructuring.*
*The so-called "**Cercas report**" was adopted on 15th January 2013 by the European Parliament*



Green Paper - consultation on anticipation of change and restructuring

- *The European Commission launched on **17 January 2012** a Europe-wide public debate on corporate restructuring and anticipating change.*
- ***Aim:** identify successful practices and policies in the field of restructuring and adapting to change.*
- *Overall, **91 replies were received from a big diversity of stakeholders** (public authorities, workers' representatives, employers' representatives and practitioners in general)*



Results of the Green Paper - consultation

- Short-term working schemes: useful in emergency situations but not adequate to deal with structural change
- Crucial importance of anticipative and proactive stances, especially at company level, but also at regional and sectoral levels
- Important role of social dialogue and transparency in decision-making: factor for building trust and consensus amongst all the stakeholders
- Essential nature of investing in human capital through training and skills enhancement
- Important part to be played by public authorities and the importance of using existing partnerships



"Cercas report"

- **15 January 2013 adoption in Plenary by 503 votes to 107, with 72 abstentions of a final compromise** asking, as per Article 225 TFEU, the Commission to submit a legal act after consulting the social partners
- The Resolution includes an Annex presenting **detailed recommendations** as to the content of the proposal requested on different aspects of restructuring operations (long-term strategic planning, adaptability and employability, anticipation of employment and skills needs, early preparation, minimising external economic, social and environmental impacts...)

Future Commission's action

- *The Commission will propose a Communication establishing a **Quality Framework for Restructuring and anticipation of change** that would frame the current EU legislation and initiatives in this field and it would present the best practices to be implemented by all stakeholders*
- *The Commission will keep under review the need to revise the proposed quality framework and will keep the EP informed within a given deadline. **This review might prepare the ground for a future legislative proposal.***



Future Commission's action (2)

- *The Commission will continue to monitor the observance of EU legislation in the field of information and consultation procedures.*
- *It will continue to work together with the social partners on **identifying and disseminating best practices** in the field of anticipation and restructuring in the case of specific sectors in difficulty.*
- *Finally, the Commission encourages Member State to **use EU funds in support of human capital investments** via skills enhancement and training, as well as of mitigating the adverse social consequences of restructuring by supporting re-employment of workers who are made redundant (ESF and EGF).*



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2. The ESF



What is the ESF?

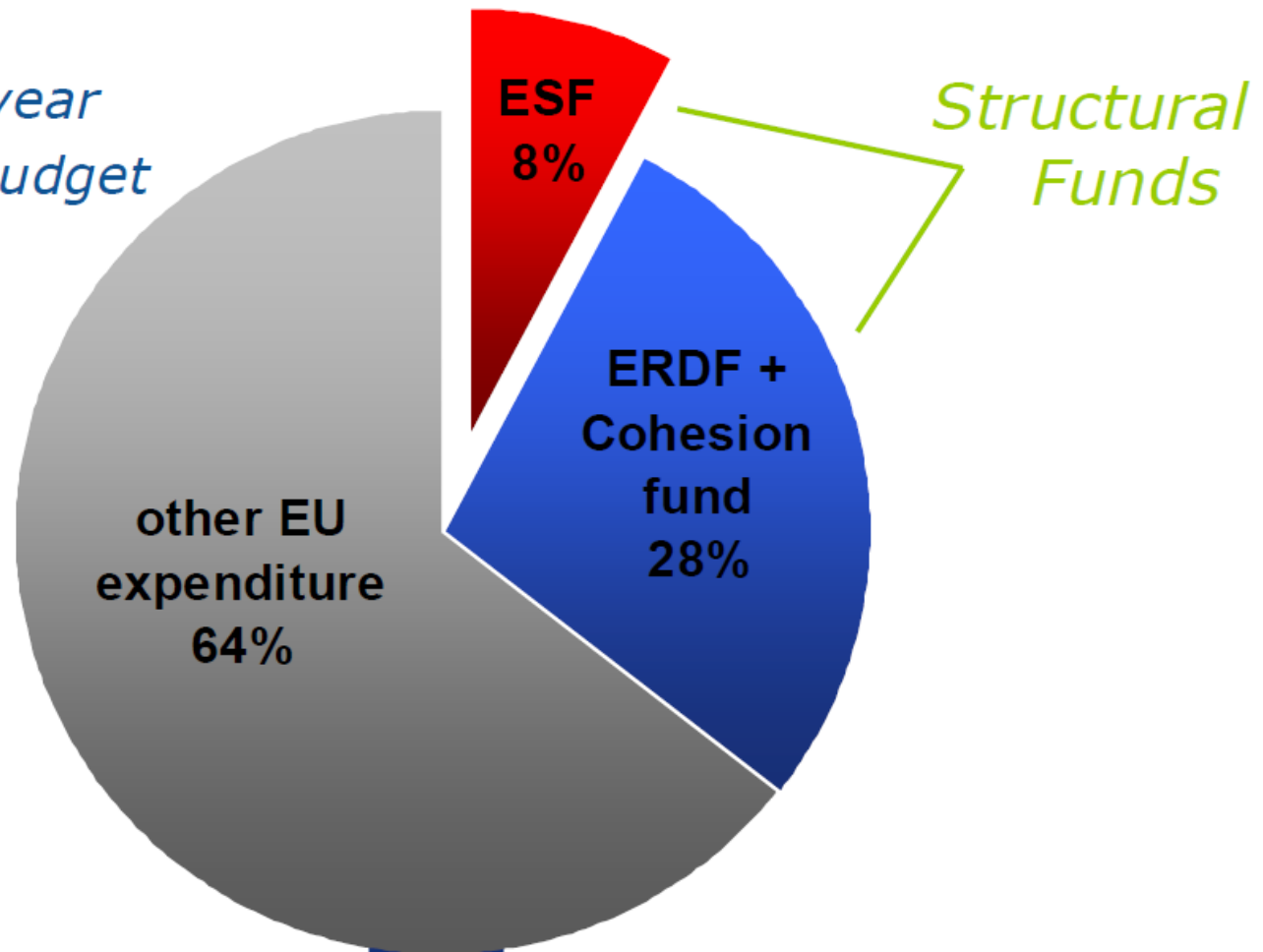
The **European Social Fund** is one of the EU's Structural Funds, set up to reduce differences in prosperity and living standards across EU Member States and regions and therefore promoting economic and social cohesion.

The EU's key **instrument for investing in people and systems**

- to improve employment opportunities
- to promote education and life-long learning
- to enhance social inclusion- to contribute to combating poverty
- to improve public services

THE ESF and the EU budget

~ €10billion / year
~ 10% of EU budget





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ESF- how does it work?

Shared management

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★ Member States



programming

agreeing on priorities, setting budgets,
defining actions (7-year cycle)

monitoring
implementation

reimbursing
expenditure

accountable
for the budget

delivery of
planned actions

selection of
concrete projects

payments to
project organisers

Partnership

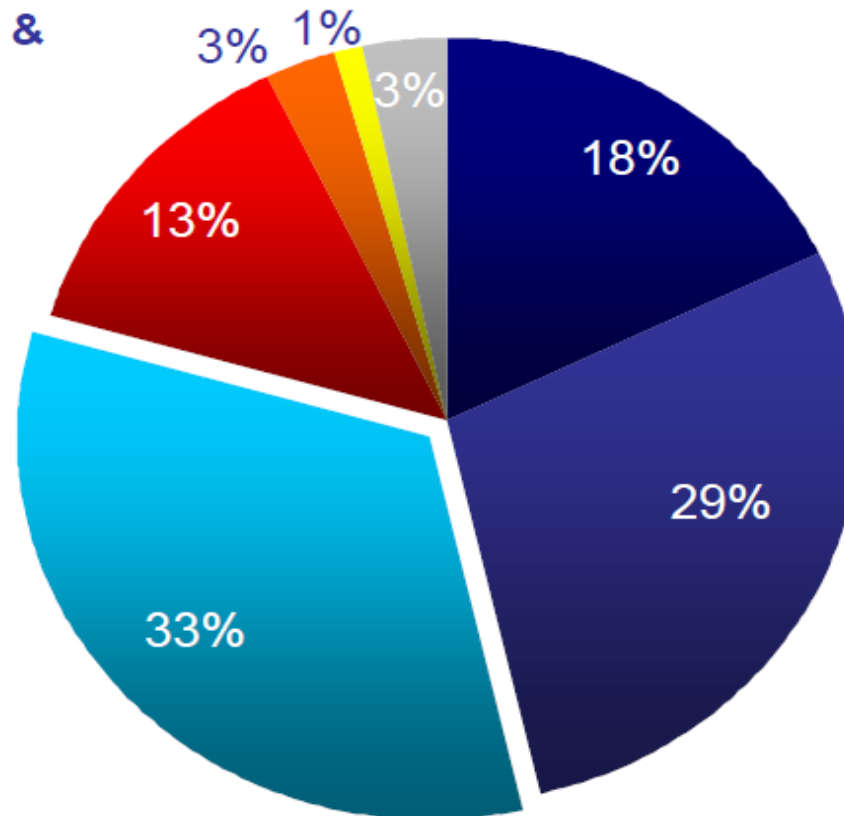


Co-financing



ESF - priorities

- Adaptability of workers & enterprises
- Access to employment
- Human capital
- Social inclusion
- Institutional capacity
- Partnerships
- Other



How to benefit from ESF support?

- **The ESF is managed at national and/or regional level**

- **National Strategic Reference Frameworks**
- **Operational Programmes**

➔ Therefore, in order to find out how to benefit from ESF support : contact the ESF managing authority of your Member State or region. These authorities are responsible for distribution of the funding and the monitoring of approved projects.

Who can apply for ESF funding and what for?

- Commercial businesses, public agencies and non-profit organisations may all apply. It is not possible to apply as an individual; only organisations or companies can submit an application.
- The ESF supports measures such as:
 - **lifelong learning and training of workers;**
 - **work organisation;**
 - **support for employees in the context of restructuring;**
 - **employment services**
 - **integration of disadvantaged people in the labour market**
 - **reforms in education and training systems;**
 - **networking of social partners and NGOs**



ESF - Anticipation of change and restructuring

Various priorities listed at EU level can be used in order to anticipate change or to manage restructuring processes, as implemented through the national programmes

- Actions to increase the **adaptability of workers, enterprises and entrepreneurs with a view to improving the anticipation and positive management of economic change** (Art 3.1.a)
- Targeted actions for specific disadvantaged groups planned with a view to their (re-) integration into the labour market by training and support services, priorities **“enhancing access to employment and the sustainable inclusion in the labour market”** (Art 3.1.b) and **“reinforcing the social inclusion of disadvantaged people”** (Art 3.1.c)
- Modernising training and education system with a view to their responsiveness to labour market needs could be implemented under the **“human capital”** priority (Art 3.1.d)



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3. The EGF



What is the EGF ?

European Globalisation adjustment Fund

- Established by the European Parliament and the Council and operational since **early 2007** ([Regulation 1927/2006/EC of 20 December 2006](#))
- The EGF helps workers find new jobs and develop new skills when **they have lost their jobs as a result of changing global trade patterns**, e.g. when a large company shuts down or a factory is moved to outside the EU
- Up to **€ 500 million available each year**
- Co-financing rate of 50%



How exactly can the EGF help? (1)

By financing active labour market policy measures:

- skills recognition and skills validation;
- careers advice;
- job-search assistance and help with work placement;
- tailor-made training, re-training and vocational training to match new job opportunities;
- promoting entrepreneurship and business creation.

How exactly can the EGF help? (2)

By **providing one-off, time-limited individual support:**

- job-search allowances;
- mobility allowances;
- allowances for participating in lifelong learning and training activities.

The EGF will **not fund passive social protection measures** such as pensions or unemployment benefits → These are the responsibility of EU national governments.

Who can benefit ?

Individual workers made redundant can benefit from **schemes set up by national governments** to help them.

EGF funding cannot be used to keep enterprises in business or to help them with modernisation or structural adjustment.

What are the eligibility criteria for intervention of the EGF?

- The eligibility criteria for intervention are set out in the EGF Regulation and its amendment.
 - Job losses due to the **impact of globalisation** (changes in world trade patterns)
 - Leading to at least 500 redundancies
 - in an enterprise including workers made redundant in its suppliers or downstream producers within a period of four (4) months
 - in one region or two contiguous regions within a period of nine (9) months

How can an application for support be submitted? By whom?

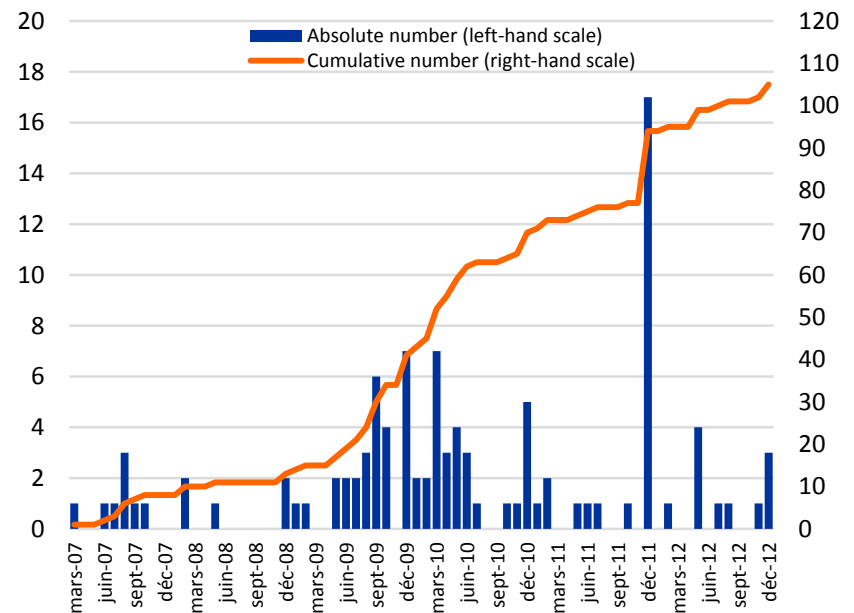
Although the initiative to ask for EGF support may come from stakeholders, **the application for EGF support has to be submitted by the Member States** and signed by a person authorised to represent the Member State.

Summary of EGF applications 2007-2013 – 33 sectors

- **107 applications** received from **20 Member States**
- in **33 industrial sectors** (65 % = manufacturing sectors)
- **€465.9 million** requested to help more than **97,000 workers**

	2007	2008	2009	2010	2011	2012	2013	Total
Number of applications	8	5	28	29	24	10	3	107
% of total	7,5	4,7	26,2	27,1	22,4	9,3	2,8	100%

Application Year	Requested EGF contribution (million €)	Workers targeted
2007	51.8	10,679
2008	20.6	5,435
2009	122.3	26,332
2010	132.1	26,867
2011	68.8	15,402
2012	55.2	9,428
2013	15.1	3,681
Grand Total	465.9	97,824



Number of applications received by month



Example of EGF case (1)

EGF Application for 21 companies in the printing sector (Nace 18 div) in the Netherlands (EGF/2010/030)

- In 2008 and 2009, employment in the graphic media enterprises contracted strongly in both regions
- Problem related to the economic crisis which resulted in a **substantial decrease in demand** from the printing and publishing sector in the Netherlands.
- Case submitted to the European Commission on **20 December 2010**
- This project was approved on **27 September 2011** by decision of the European Parliament and the Council.

Example of EGF case (2)

- Measures proposed by the Netherlands to help 551 workers in the regions of Noord Holland and Flevoland:
 - **Preparatory activities (intake, registration, information and helpdesk)**
 - **Support (outplacement, work to work, advice towards business creation)**
 - **Training and re-training**
 - **Recognition of prior experience**
- Total planned budget amounted to € 2 844 748, while **the EGF contribution could go up to € 1 849 086.**



Thank you for your attention !

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