

European Globalisation Adjustment Fund: the Council and the European Parliament reach a provisional deal



The German presidency of the Council reached an agreement with the European Parliament's negotiating team on the Regulation on the European Globalisation Adjustment Fund for displaced workers (EGF). The fund is designed to provide assistance to displaced workers in case of major restructuring events, in particular as a result of globalisation-related challenges, such as changes in world trade patterns, trade disputes, important changes in the trade relations of the EU or the composition of the internal market, financial or economic crises, the transition to a low-carbon economy or as a consequence of digitisation or automation.

The European Globalisation Adjustment Fund has always been a symbol of solidarity. The Council and the European Parliament have made sure that this will continue well beyond 2020. Our agreement allows the fund to provide help to a greater number of workers who lost their jobs. It also makes sure that in times of radical digital transformation and reduction of carbon emissions, displaced workers will be provided with support to facilitate their re-integration into employment.

Hubertus Heil, Federal Minister of Labour and Social Affairs

The agreement provides for the following main elements:

- a lower threshold of 200 dismissed workers within a given reference period for a case to be eligible
- additional reasons for dismissals eligible for funding, such as changes in the composition of the internal market, automation or digitisation
- alignment of the co-financing rate with the ESF+ co-financing rate for a given member state, but not lower than 60%

The eligible beneficiaries under the agreement are displaced workers and self-employed persons whose activity has ceased. The financial support from the EGF may be provided for measures that form part of a coordinated package of services, such as tailor-made training and retraining, job-search assistance or aid for self-employment. The aim is to facilitate the re-integration of the targeted beneficiaries and, in particular, the most disadvantaged among the displaced workers, into employment or self-employment.

The investments for self-employment, starting an own business or for employee take-overs may not exceed EUR 22 000 per beneficiary.

The agreement provides that the support for targeted beneficiaries shall complement measures of the member states at national, regional and local level including those receiving other financial support provided by the Union budget.

The agreement also provides for the alignment of the duration of the EGF with the period of the MFF from 2021 to 2027.

Background and next steps

The EGF was initially set up for the period 2007-2013 to support workers who have lost their jobs as a result of major structural changes in world trade patterns due to globalisation. For the period 2014-2020, the scope of the Fund was broadened to include job displacements resulting from the continuation or a new global financial and economic crisis. In May 2018, the Commission published its proposal on the continuation of the EGF beyond 2020. In March 2019, the Council adopted its position (partial general approach) in view of the negotiations with the European Parliament.

The agreement will be submitted to the EU member states' ambassadors for endorsement. The regulation will be adopted at a later stage.