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PRESS RELEASE

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Employment: Commission proposes €2.7 million from Globalisation Fund to help former Talk Talk workers in Ireland

The European Commission has today proposed to provide Ireland with €2.7 million from the European Globalisation Adjustment Fund (EGF) to help 592 workers made redundant by Talk Talk Broadband Services and three of their suppliers with their re-integration into the labour market. The proposal now goes to the European Parliament and the EU's Council of Ministers for their approval.

EU Commissioner for Employment, Social Affairs and Inclusion László Andor commented: *"This proposal for 2.7 million euros from Europe's Globalisation Fund would help these former Talk Talk workers to upgrade their skills and so help them to find new jobs."*

Ireland applied for support from the EGF for 592 workers made redundant by Talk Talk Broadband Services and three of their suppliers following the closure of the entire Waterford operation. Of the total number of redundant workers, 432 are targeted for assistance from the EGF. The package aims to help the workers by offering them guidance and career planning, several types of training programmes, higher education courses, training grants, enterprise/self-employment supports, and training, education and enterprise allowances.

The total estimated cost of the package is approximately €5.4 million, to which the EGF would provide €2.7 million.

Background

The ability to service customers at a distance has been enabled by improvements in global technology infrastructure. Firms are outsourcing a broader range of increasingly complex business functions. Lower cost locations outside the EU, with a technologically knowledgeable and English-speaking workforce, continue to win new business in so-called 'business process outsourcing'.

The Waterford redundancies were a direct result of the Talk Talk's decision to consolidate activities both in the UK and with three chosen outsourcers. In 2011, the company had adopted strategic alliances with three key non-EU providers to whom a significant bulk of work is being transferred. These third country providers are Wipro in India, Transcom in the Philippines and CCI in South Africa. As a result, some 80% of Talk Talk volumes are now estimated by the company to be handled outside the EU. Talk Talk has moved towards a primarily outsourced call services model with some specialist activities being retained in the United Kingdom only, and this has resulted in the closure of the entire Waterford-based operation.

Waterford City is located in the South East Region of Ireland. Compared to other regions, the South East's industrial base has not developed strong clusters in specific areas that can help attract future investments. The multinational sector is proportionately smaller than in other regions. The region and the city of Waterford in particular has been hit by a series of major redundancies in recent years including over 650 redundancies at the Waterford Crystal facility at Kilbarry and ancillary enterprises which were the subject of a separate EGF application (EGF/2009/012 IE/Waterford Crystal – see [IP/10/541](#)).

There have been 102 applications to the EGF since the start of its operations in 2007. Some €438.4 million has been requested to help about 91,000 workers. EGF applications are being presented to help redundant workers in a growing number of sectors, and by an increasing number of Member States.

More open trade with the rest of the world leads to overall benefits for growth and employment, but it can also cost some jobs, particularly in vulnerable sectors and affecting lower-skilled workers. This is why Commission President Barroso first proposed setting up a fund to help those adjusting to the consequences of globalisation. The EGF was established at the end of 2006 and was designed to demonstrate solidarity from the many who benefit from openness to the few who face the sudden shock of losing their jobs. In June 2009, the EGF rules were revised to strengthen the role of the EGF as an early intervention instrument forming part of Europe's response to the financial and economic crisis. The revised EGF Regulation entered into force on 2 July 2009 and applied to all applications received from 1 May 2009 to 31 December 2011. In the absence of an agreement in the Council, the EGF's crisis response function could not be prolonged beyond 2011.

Building on the experience acquired with the EGF since 2007 and its value added for the assisted workers and affected regions, the Commission has proposed to maintain the Fund also during the 2014-2020 multiannual financial framework, while further improving its functioning.

Further information

László Andor's website:

http://ec.europa.eu/commission_2010-2014/andor/

[EGF website](#)

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