



EUROPEAN COMMISSION

PRESS RELEASE

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Employment: Commission proposes €2.9 million from Globalisation Fund for former Nokia workers in Romania

The European Commission has today proposed to provide Romania with €2.9m from the European Globalisation Adjustment Fund (EGF) to help 1416 workers made redundant in Romania by SC Nokia Romania SRL and one of its suppliers with their return to employment. The proposal now goes to the European Parliament and the EU's Council of Ministers for their approval.

European Commissioner for Employment, Social Affairs and Inclusion László Andor commented *"World production patterns of mobile phones are changing, as European manufacturers move production closer to the fastest growing markets, now located in Asia. This proposal for some 3 million euros from Europe's Globalisation Fund aims to help the former Nokia workers adapt their skills, find new jobs and build a better future"*.

The Romanian application relates to 1904 redundancies from SC Nokia Romania SRL and one supplier. Of all the redundant workers 1416 are expected to participate in the EGF co-funded measures. The package will help the workers by offering them the services of the transition centre "From JOB to Smart JOB"; information, counselling and vocational guidance; vocational training and training towards certification; entrepreneurship promotion and financial assistance for business start-up; mentoring and post-hiring support, as well as several types of allowances such as job-search, transport and internship allowances.

The total estimated cost of the package is approximately €4.5 million, of which the EGF would provide €2.9 million.

The Commission has also adopted today a proposal for the EGF to support workers made redundant by Nokia in Finland (see [IP/12/1122](#)). In both cases the redundancies are driven by a transfer of production from Europe to Asia.

Background

The primary reason for the redundancies is the transfer of mobile phone assembly to countries in Asia (China, South Korea, India and Vietnam, where a new Nokia plant is under construction). Component manufacture and subcontracted production had already been transferred out of Europe.

The area of Romania most concerned by the Nokia redundancies is the county of Cluj and in particular the metropolitan area of Cluj-Napoca.

The situation in Cluj has deteriorated in terms of employment and production. About 40% of the jobs available in the area in the field of IT and communications disappeared following the closure of the Nokia production site in Cluj.

There have been 101 applications to the EGF since the start of its operations in 2007. Some €443.3 million has been requested to help about 92000 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, which entered into force on 2 July 2009 and applied to all applications received from 1 May 2009 to 30 December 2011, raised the EU co-financing rate from 50 % to 65 %.

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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