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EU Globalisation Fund pays €35 million to help redundant textile workers in Italy

The European Commission has made four payments to Italy from the European Globalisation adjustment Fund (EGF). The total of € 35.16 million will help almost 6 000 workers in the textile sector back into employment. These workers were made redundant in mainly small businesses located in Sardinia, Piedmont, Lombardy and Tuscany. The redundancies follow the general shift of clothing and accessories production in the European Union towards lower-cost non-EU countries. The payment follows approval by the Budgetary Authority (the European Parliament and the Council) on 19 November.

Vladimír Špidla, EU Commissioner for Employment, Social Affairs and Equal Opportunities said: "These payments, the biggest from the European Globalisation Adjustment Fund so far, benefit workers from more than 800 businesses and show that the EGF can provide support to workers from small and medium sized enterprises as well as those from large companies. These funds are helping almost 6000 workers, who have lost their jobs as a result of globalisation, to find their way back into work more easily and rapidly".

The Italian applications, approved by the Commission in September 2008 (see [IP/08/1367](#)) cover 5,955 dismissals: 1,044 in Sardinia (in 5 enterprises), 1,537 in Piedmont (in 202 enterprises), 1,816 redundancies in Lombardy (in 190 enterprises) and 1,558 in Tuscany (in 461 enterprises).

The redundancies follow the general shift of clothing and accessories production in the European Union towards lower-cost non-EU countries and the increase of imports of cheap textiles from low-wage economies, largely in Asia.

The EGF is co-financing active labour market policy measures, specific to the needs of the workers in each of the four affected regions, such as occupational guidance, job search assistance and job search allowances, entrepreneurship promotion, training vouchers and incentives for companies recruiting redundant workers.

Background

There have been twelve applications approved and paid under the EGF so far, for a total amount of €67.65 million. To date EGF cases have concerned redundancies in the automotive industry in France, Portugal and Spain, in the mobile phone sector in Germany and Finland; and in the textile sector in Malta, Lithuania and Italy.

Established by the European Parliament and the Council at the end of 2006, the EGF is as an instrument of solidarity which helps workers with active labour market measures after globalisation related redundancies. It may give a financial contribution to a Member State in cases where at least 1,000 workers in an enterprise, or a region and sector, are made redundant due to major structural changes in world trade patterns leading to substantially increased imports into the EU, or a rapid decline in EU market share, or delocalisation of production to third countries.

Related links:

European Globalisation Fund website

http://ec.europa.eu/employment_social/egf/index_en.html