



Employment: Commission proposes €1.2 million from Globalisation Fund for former workers of Fiat in Poland

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The European Commission has proposed to provide Poland with €1.2 million from the European Globalisation Adjustment Fund (EGF) to help 777 workers made redundant by the carmaker Fiat Auto Poland to find new jobs. The redundancies mainly concern the Slaskian province. The proposal now goes to the European Parliament and the EU's Council of Ministers for approval.

Marianne Thyssen, EU Commissioner for Employment, Social Affairs, Skills and Labour Mobility, commented: *"Many sectors and industries in Europe are going through major structural changes, as a consequence of globalisation. The European Globalisation Fund is a concrete expression of European solidarity. It will continue to help Member States to re-integrate people who have lost their job into the labour market and support them to adapt their skills. Through this fund, we are accompanying workers who experience hardship in the difficult transition to new jobs and I have the intention to maximize its performance during the coming years."*

Poland applied for support from the EGF following the dismissal of 1,079 workers in Fiat Auto Poland S.A. and 21 of its suppliers. These job losses were the result of a rapid decline of the EU's market share in the production of passenger cars at worldwide level.

The measures co-financed by the EGF would help the 777 redundant workers in greatest need to find new jobs by providing them with vocational and entrepreneurial training, training scholarships, hiring incentives, contributions to business start-up and the relevant allowances.

The total estimated cost of the package is €2.5 million, of which the EGF would provide 04half.

Background

The EU share in the global market for passenger vehicles has been shrinking in recent years, within the general upward trend of the sector.

Between 2007 and 2012, the production of passenger cars in the EU-27 decreased from 17.10 million units to 14.61 million units (– 14.6 %), whereas it increased from 53.05 million units to 63.07 million units (+ 18.9 %) at worldwide level. This has led to a decrease of the EU-27's market share in the world production, from 32.2 % to 23.2 % (– 28.2 %, measured in volume terms).

Fiat Auto Poland suffered the consequences of the declining market share of the EU automotive industry. However, the company endeavoured to adapt production to market demand and optimised workforce numbers in order to remain competitive and improve the chances of being selected as the manufacturer of new car models. The efforts did not pay off, since the Fiat group decided to transfer the production of the Panda Classic to Campania in Italy from January 2013, this resulting in the mass layoffs in Fiat Auto Poland and its suppliers.

The territory concerned by the redundancies is the Slaskian province, which has a population of almost 5 million people. The negative impact of the Fiat Auto Poland redundancies was huge in particular in the area of Tychy, where the former workers of Fiat Auto Poland and its suppliers represent one-tenth of all the unemployed people living in that area.

More open trade with the rest of the world leads to overall benefits for growth and employment, but it can also cost jobs, particularly in vulnerable sectors and among lower-skilled workers. This is why the Commission first proposed setting up a fund to help those adjusting to the consequences of globalisation. Since starting operations in 2007, the EGF has received 130 applications. Some €536 million has been requested to help more than 116,000 workers. In 2013 alone, it provided more than €53.5 million in support.

The [Fund continues during the 2014-2020 period](#) as an expression of EU solidarity, with further improvements to its functioning. Its scope includes workers made redundant because of the economic crisis, as well as fixed-term workers, the self-employed, and, by way of derogation until the end of

2017, young people not in employment, education or training (NEETs) residing in regions eligible under the [Youth Employment Initiative](#) (YEI) up to a number equal to the redundant workers supported.

Further information

[EGF website](#)

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