

# Commission proposes €4.6 million from Globalisation Adjustment Fund for former Caterpillar workers in Belgium

This money should serve to help nearly 2,300 former workers of Caterpillar Solar Gosselies and of several Caterpillar suppliers find new jobs.

EU Commissioner for Employment, Social Affairs, Skills and Labour Mobility Marianne **Thyssen** commented: *"Thanks to the €4.6 million from the Globalisation Adjustment Fund, we'll be able to help former workers find new jobs or better job opportunities. From the very announcement of the closure of Caterpillar Gosselies in 2016, we have acted without delay to help the Belgian and Walloon authorities minimise as much as possible the devastating consequences for many of the redundant workers, by giving guidance on how to mobilise all European instruments available, including the European Globalisation Adjustment Fund. We must show solidarity in times of hardship, to make sure no one is left behind. "*

The measures co-financed by the Globalisation Adjustment Fund would benefit 2,287 former workers and up to 300 young people not in employment, education or training (NEETs). They will receive active career guidance, help with their job-search, vocational training and support for setting up their own business.

The total estimated cost of the package is €7.7 million, of which the EGF would provide €4.6 million. The remaining 40% would come from the regional budget of Wallonia. The proposal now goes to the European Parliament and the EU's Council of Ministers for approval.

## **Background**

Belgium applied for Globalisation Adjustment Fund support on 18 December 2017, after redundancies following the closure of Caterpillar's plant in Gosselies, announced in September 2016. These job losses were the result of major structural changes in world trade patterns, in particular the delocalisation of a substantial part of the enterprise's production capacity to non-EU countries, which triggered the closure of the Gosselies facility.

The Commission has lent its support to the Belgian authorities from the beginning of the process. Immediately after Caterpillar had announced to close the factory, the Commission helped setting up a joint Task Force involving also social partners, upon the initiative of President of the European Commission, Jean-Claude Juncker. The Task Force worked closely together with the Belgian authorities to discuss the way forward and prepare the next steps, including the mobilisation of the Globalisation Adjustment Fund to support the training and reorientation of the affected workers.

Caterpillar is the world leader in the production of machines and accessories

necessary for the construction and operation of mines. Caterpillar has been strongly affected by declining demand for this type of products in Europe, which has led to the delocalisation of substantial production capacity to third countries, especially in Asia and Latin America.

The dismissals at Caterpillar primarily affect the area of Charleroi, in Wallonia, a former coal-mining and steelmaking area where employment is strongly dependant on traditional heavy industries.

The former Caterpillar workers and young people from the Hainaut region not in employment, education or training, which are eligible to participate in Globalisation Adjustment Fund -supported measures, would be able to benefit from counselling, career guidance and individual job search assistance. They could also follow training courses focusing on the development priorities of Charleroi (<http://www.catch-charleroi.be>). Persons interested in starting their own businesses could benefit from a system of support for entrepreneurs. This includes a close collaboration with the regional authorities dedicated to support self-employment along with start-up grants.

Belgium uses the Fund also to provide personalised services for NEETs to help them find a job. This possibility is provided for in the Globalisation Adjustment Fund regulation for regions which (like Wallonia) are eligible under the [Youth Employment Initiative](#).

### **On the Globalisation Adjustment Fund (EGF)**

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. The EGF was set up to help these groups adjust to the consequences of globalisation. Since starting operations in 2007, the EGF has received 157 applications. Some €630 million has been requested to help more than 148,000 workers and 3,369 young people not in employment, education or training (NEETs).

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.

### **On the proposal for the European Labour Authority**

Earlier this month, the European Commission proposed the establishment of a “[European Labour Authority](#)” to ensure that EU rules on labour mobility are enforced in a fair, simple and effective way. As one of its tasks, the Authority could in the future facilitate cooperation between relevant stakeholders in the event of cross-border labour market disruptions, for instance in the case of large-scale restructuring of companies. The Authority could bring together the relevant organisations, such as public employment authorities and social partners, in order to find the most appropriate

solution for the workforces involved and provide guidance on relevant EU legislation and available EU financial support.

#### **Further information**

[EGF website](#)

Video:

[The European Globalisation Adjustment Fund](#)

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## **Migration in Europe: EU must act together and do more to support local authorities**

The European Union needs to increase support for cities and regions and border countries that are on the front line of managing migration, the European Committee of the Regions said on 22 March. The EU's assembly for local and regional politicians expressed particular concern about the challenges faced by islands and coastal regions in the Mediterranean and called for greater shared European responsibility and investment.

The assembly called for local and regional authorities to be involved in every stage of framing and implementing the EU's migration-related policies, because of their role in taking care of new arrivals and then integrating them. In addition to asking for more funding, training and technical support for cities and regions, the European Committee of the Regions suggested that the EU should examine the possibility of "transferring responsibility for examining asylum applications from national to EU level".

The recommendations are contained in an opinion drafted by [Dimitrios Kalogeropoulos](#) (EL/EPP), a delegate from the Palaio Faliro municipality near Athens, and were adopted shortly after a debate with [Dimitris Avramopoulos](#), the European Commissioner for Migration, Home Affairs and Citizenship.

[Karl-Heinz Lambertz](#), the President of the European Committee of Regions (CoR), said: "Local and regional governments are on the front line, receiving, managing and integrating migrants and refugees, and they need far more support. Every EU member state must shoulder the responsibility, to avoid leaving just a few countries and communities to manage alone. Migrants and refugees are not numbers; they are people that should be protected. It is a European challenge that needs European investment, which is why the next EU

budget, after 2020, must increase and why EU regional funds – its cohesion policy, which supports social inclusion – must continue to be a strong pillar of Europe's future.”

Speaking during the plenary debate, **Commissioner Avramopoulos** said there was a need for a “ [radical re-think](#) ” on the integration of migrants in Europe across all policy areas, as well as improved access to EU funds for cities and regions. “Local and regional authorities play a positive role in creating spaces for exchanges between migrants and societies, ensuring social inclusion and active participation in the host society. But you cannot and should not be doing this alone.”

Mr **Kalogeropoulos** said: “Local and regional leaders generally feel that the EU has moved in the right direction over the past two years, but, in practice, there remain difficulties for local communities as well as for refugees and migrants. Social tensions are high, local authorities are struggling to cope, and the level of consultation and coordination between the levels of governance – local, national and EU – and with NGOs remains too low. The objectives of the EU to provide reasonable conditions for refugees and migrants to process applications for asylum speedily are not being met fully, and member states are ignoring agreements to relocate asylum-seekers equitably across the EU. We badly need a long-term commitment – from national governments and the EU – to increase funding for cities and regions and to pursue a comprehensive policy that makes migration manageable.”

The debate also focused attention on global trends, the experiences of refugees, and efforts to integrate new arrivals in Europe into the labour market, with contributions from: [Laura Thompson](#), the deputy director-general of the International Organization for Migration; **Elisabeth Bartke** from the Association of German Chambers of Commerce and Industry; and **Anila Noor**, a refugee and member of the European Migrant Advisory Board.

## Background

· The opinion – entitled “Implementation of the European Agenda on Migration” – considers the progress made by the EU on its [migration policy priorities](#) since 2015. The CoR supports many of the actions taken by the EU and describes reform of the current asylum system as “essential”. It draws attention, however, to weaknesses and to the need for more radical action – particularly to relieve pressure on the worst-affected islands and regions, and to address difficulties assessing asylum applications. The possibility of “transferring responsibility for examining asylum applications from national to EU level” should be considered, it argues. The opinion says that local and regional authorities need more funding and calls for them to be involved in every stage of framing and implementing of the migration agenda. It argues that the powers of a new EU agency – the European Border and Coast Guard Agency – and EU naval operation (Sophia) should be strengthened, and highlights that work is needed to produce a “coherent action plan” capable of ending smuggling and the migration-linked slave trade that has emerged in North Africa. It supports the ‘hotspot’ approach to managing exceptional migratory flows, through which EU agencies can intervene rapidly to help EU member states on the front line of migration, and suggests that ‘hotspots’ in

non-EU countries could be “important” as a way of creating “safe routes” for migration. It notes, however, that guidelines are needed for managers of hotspots, with input from local and regional authorities.

- President Lambertz wrote to Donald Tusk, President of the European Council, on 21 February 2018 calling for a [budget](#) after 2020 capable of matching Europe’s ambitions. The European Committee of the Regions is asking for the next budget to be “increased to 1.3% of the Gross National Income of the EU 27 as an expenditure ceiling through national contributions and new EU own resources”. President Lambertz described the EU’s cohesion policy as “the EU’s most effective means of tackling today’s challenges: climate action, migration, sustainable growth, and research and innovation”.

- The [EU external investment plan](#) is designed to boost investment in the EU’s neighbourhood and Africa, particularly in fragile, conflict- and violence-affected countries, some of which are countries from where irregular migrants originate. The European Commission is contributing €4.1 billion, with the aim of stimulating more than €44 billion of investments by 2020.

- A recent study of global migration by the [European Commission](#) found that the world’s migrant population is increasing steadily. While the number of people forced to move by conflict or persecution is surging, environmental disasters are a bigger cause of displacement. Overall, the nature of migration has become more complex, with economic development spurring migration in the short term. Migration has become a big business, eased by digital technology. Globally, migration is primarily an urban phenomenon, with one in five migrants living in the world’s 20 largest cities. Of legal migrants who arrive in the EU, more than half come to be re-unified with their family or on humanitarian grounds. Highly skilled migrants are heading primarily to other [OECD countries](#) rather than to the EU. The number of irregular migrant arriving by sea has dropped sharply (to 160,000 in 2017), but immigration remains the second greatest concern of Europeans (after terrorism). It was their principal concern in 2014-16.

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## EU investment in jobs, education and social inclusion must be managed in partnership with regions and cities

Rapporteur Catiuscia Marini: "The next EU budget must put citizens first and keep the European Social Fund (ESF) as a part of regional policy without turning it into a lever for top-down financial receipts."

**Between 2007 and 2014, 9.4 million Europeans gained employment and 8.7 million obtained a qualification thanks to the support of the European Social Fund (ESF) and the partnership between the EU and national and regional governments. The European Committee of the Regions is mobilising its efforts to ensure that [these achievements](#) are duly taken into account and the fund will not be cut in the forthcoming EU long-term budget, or diverted to incentivise heavily centralised measures.**

The ESF is the main EU instrument supporting employment policies, worth more than [€80 billion for the years 2014-2020](#). Its aim is to reduce disparities between and within European regions and cities by promoting job creation, work productivity, equal opportunities and social inclusion. Its priorities include boosting the adaptability of workers and enterprises; improving access to employment, facilitating the transition from school to work and enhancing vocational training; helping disadvantaged groups to find jobs; fighting against poverty; and reducing the numbers of early school leavers.

The fund's crucial role in Europe's future was pointed out by EU local and regional leaders in the opinion on the [Mid-term review of the ESF preparing the post-2020 proposal](#), led by the president of the Umbria region and chair of the CoR PES Group, **Catiuscia Marini** (IT/PES).

*" We want the next EU budget to put citizens first and to provide a concrete European response to social challenges. The European Social Fund is the most effective tool in the hands of local and regional authorities to provide these responses. This is why the European Committee of the Regions strongly opposes any plan to create a new fund, outside the framework of cohesion policy, supporting a top-down coordination of Member States' macroeconomic policies, without any link to the actual needs of local communities " said Ms Marini, stressing that: " The ESF must remain one of the European Structural and Investment Funds and a key element of cohesion policy, in order to harness every possible synergy with other structural funds, in particular with regional development and rural development funds ." A call that was fully shared by EU Regional policy commissioner **Corinna Crețu** during a debate with President Marini, held at the CoR ahead of the plenary vote.*

The key challenges of the next decade – from skills adaptation in sectors facing digitalisation to reducing early school-leaving, and from helping



migrant workers integrate to ensuring that jobseekers and employers are well matched – can be addressed effectively only by taking account of specific local needs and by mobilising local actors. For this reason, the Committee wants the ESF to remain a key element of [regional cohesion policy](#), jointly managed by means of partnerships between European institutions, Member States, regional and local governments and the economic and social players in the areas concerned.

This is particularly important in light of the reform proposals put together in the context of the preparatory work for the next Multiannual Financial Framework (MFF), the financial plan setting expenditure ceilings for all EU policies in the years 2021-2027. Current options include merging the ESF with other tools aimed at fostering employment and human capital (i.e. the Youth Employment Initiative and the European Globalisation Adjustment Fund) in order to create an “umbrella fund” with common rules. Such a fund would support the implementation of the country-specific recommendations formulated every year by the European Commission in the context of the European Semester (a procedure for the coordination of macro-economic policies across the EU).

In such a scenario, the joint programming scheme that currently involves the European Commission, national governments and regions, would be replaced by contractual arrangements whereby ESF funding was released to Member States under the condition that they achieve the targets for structural reforms set throughout the European Semester process.

This option is strongly rejected by CoR members, who propose instead to improve the link between cohesion policy and EU macro-economic governance by structurally involving local and regional authorities as partners in the European Semester process, relying on territorial analysis and territory-specific recommendations whenever possible.

As for the integration of other funds into the ESF, local leaders stress that this will produce positive synergies only if the regional dimension is well preserved and the creation of the “ESF umbrella” does not lead to an overall reduction in the resources devoted to employment and social inclusion.

According to the Committee, reducing ESF resources would openly contradict the recent launch of the European Pillar of Social Rights, jeopardising any chance of turning it into a reality. Indeed, according to the CoR, the Pillar’s [20 key principles](#) should be well reflected in the programmes supported by the ESF over the next years.

## **Note for editors**

The ESF is a key tool for EU cohesion policy, the future of which is currently under threat due to the financial impact of Brexit as well as the need to fund new measures in the fields of defence, security, and migration. To make the case for a stronger cohesion policy after 2020, the CoR, together with leading EU territorial associations, has launched the **#CohesionAlliance**: a grass-roots movement open to anyone who believes that EU cohesion policy must continue to act as a pillar of the EU’s future. Since its launch in October last year, the Alliance has continued to attract new signatories



every day, including regional and local authorities, business associations, academia, trade unions and think tanks.

More information about the #CohesionAlliance initiatives, statements and position papers are available at <http://cohesionalliance.eu>

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