



Brussels, 19.10.2012
COM(2012) 621 final

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund in accordance with point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (application EGF/2011/011 AT/Soziale Dienstleistungen from Austria)

EXPLANATORY MEMORANDUM

Point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management¹ allows for the mobilisation of the European Globalisation Adjustment Fund (EGF) through a flexibility mechanism, within the annual ceiling of EUR 500 million over and above the relevant headings of the financial framework.

The rules applicable to the contributions from the EGF are laid down in Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund².

On 21 December 2011, Austria submitted application EGF/2011/011 AT/Soziale Dienstleistungen from Austria for a financial contribution from the EGF, following redundancies in 105 enterprises operating in the NACE Revision 2 Division 88 ('Social work activities without accommodation')³ in the NUTS II region of Steiermark (AT22) in Austria.

After a thorough examination of this application, the Commission has concluded in accordance with Article 10 of Regulation (EC) No 1927/2006 that the conditions for a financial contribution under this Regulation are met.

SUMMARY OF THE APPLICATION AND ANALYSIS

Key data:	
EGF Reference no.	EGF/2011/011
Member State	Austria
Article 2	(b)
Enterprises concerned	105
NUTS II region	Steiermark (AT22)
NACE Revision 2 Division	88 ('Social work activities without accommodation')
Reference period	1.4.2011 - 15.12.2011
Starting date for the personalised services	1.10.2011
Application date	21.12.2011
Redundancies during the reference period	1 050
Redundant workers expected to participate in the measures	350
Expenditure for personalised services (EUR)	7 850 500
Expenditure for implementing EGF ⁴ (EUR)	150 500
Expenditure for implementing EGF (%)	1,88
Total budget (EUR)	8 001 000
EGF contribution (65 %) (EUR)	5 200 650

1. The application was presented to the Commission on 21 December 2011 and supplemented by additional information up to 25 June 2012.

¹ OJ C 139, 14.6.2006, p. 1.

² OJ L 406, 30.12.2006, p. 1.

³ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

⁴ In accordance with the third paragraph of Article 3 of Regulation (EC) No 1927/2006.

2. The application meets the conditions for deploying the EGF as set out in Article 2(b) of Regulation (EC) No 1927/2006, and was submitted within the deadline of 10 weeks referred to in Article 5 of that Regulation.

Link between the redundancies and major structural changes in world trade patterns due to globalisation or the global financial and economic crisis

3. In order to establish the link between the redundancies and the global financial and economic crisis, Austria argues that the dismissals in Styria's mobile social services sector (provision of mobile social services for people with handicaps and mobile youth assistance) occurred as a result of reductions in the social budget implemented by Styria with a view to consolidating their overall budget (as part of their contribution to Austria's stability and consolidation commitments under the 2010-2014 Stability Programme⁵).
4. Reacting to the negative impacts of the crisis and in order to consolidate the regional budget by 2013, Styria's newly elected government decided in 2010 to cut the overall expenses of the Land by 25 % (in comparison to the 2010 budget) over the two-year period 2011/2012. The budget reductions also concerned the social sector, including contractually laid down disbursements (*vertraglich vereinbarte Pflichtleistungen*) paid by Styria for youth welfare and support for the handicapped (*Jugendwohlfahrt, Behindertenhilfe*). These services are carried out in Styria by welfare providers⁶, organised as not-for-profit organisations, limited liability companies as well as (small) private enterprises.
5. The Styrian providers of mobile social services for handicapped people (*mobile Behindertenhilfe*) and mobile youth work (*mobile Jugendarbeit*) were among those directly affected by the cuts in the social budget. Following a review of the legal frameworks governing the mobile services for these two groups of people, the catalogue of services was reduced, and the fees paid by Styria to the service providers lowered with effect from July 2011 (*mobile Behindertenhilfe*) and June 2011 (*mobile Jugendarbeit*)⁷.
6. In reaction to the budget cuts, Styria's social services providers first reduced their activities (i.e. shorter working times for staff) and, subsequently, started dismissing workers from mid-2011 onwards. Hardest hit were / are small service providers specialising only in one or few social assistance area(s) as they depend exclusively on the payments from the Land and the municipalities (while larger welfare providers working in several areas dispose of various means of financing, including revenue from fund-raising campaigns or Federal funding).

⁵ http://ec.europa.eu/europe2020/documents/related-document-type/index_en.htm

⁶ Freie Wohlfahrtsträger für die Erbringung sozialer Dienstleistungen zur Unterstützung Hilfsbedürftiger (öffentliche Wohlfahrtsaufgaben).

⁷ This should be seen against the background that Styria's expenses for social services helping these two groups of people had increased since the start of the economic crisis in 2008 up to 2011 (constituting together about 50% of Styria's social budget).

Demonstration of the number of redundancies and compliance with the criteria of Article 2(b)

7. Austria submitted this application under the intervention criteria of Article 2(b) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a nine-month period in enterprises operating in the same NACE Revision 2 Division in one region or two contiguous regions at NUTS II level in a Member State.
8. The application cites 1 050 redundancies in 105 enterprises operating in the NACE Revision 2 Division 88 ('Social work activities without accommodation') in the NUTS II region of Steiermark (AT22) during the reference period from 1 April 2011 to 15 December 2011. Of these, 888 were calculated in accordance with the second indent of the second paragraph of Article 2 of Regulation (EC) No 1927/2006 and 162 were calculated in accordance with the first indent of the same paragraph.

Explanation of the unforeseen nature of those redundancies

9. The Austrian authorities argue that the redundancies were unforeseen since they occurred as a result of the decision by Styria's regional government (in early 2011) to reduce the public funding to assist handicapped people and to carry out youth work. These cuts in the social budget came as a surprise for the mobile service providers, all the more so since the contractual agreements between Styria and service providers had in previous years been renewed without renegotiation, and as the financial resources made available for assisting these two groups of people had even increased during previous years.

Identification of the dismissing enterprises and workers targeted for assistance

10. The application relates to 1 050 redundancies in 105 enterprises during a reference period of 8,5 months, of whom 350 workers (33,3 %) are targeted for assistance. These will receive personalised assistance within a regional labour foundation (*Regionalstiftung*) as defined in Federal Directive AMF/23-2011⁸. According to the Austrian authorities, the remaining dismissed workers (700) have either found new work at their own initiative and / or with the help of the public employment services (AMS) or they were not interested in receiving training and other assistance in the framework of the labour foundation set up for them.

Enterprises and number of dismissals			
Alpha Nova Betriebsges.m.b.H.	18	Lebenshilfe Bezirk Bruck/Mur	14
BAN - Sozialökonomische BetriebsgmbH	17	Lebenshilfe Bezirk Judenburg	6
BBRZ Kapfenberg	2	Lebenshilfe Bezirk Muerzzuschlag	4
Beatrix Preininger	1	Lebenshilfe Ennstal	4
Beratungsstelle TARA	1	Lebenshilfe Feldbach	6
Betriebshilfe für die Steirische Wirtschaft	11	Lebenshilfe Graz und Umgebung - Voitsberg	31
BUGLKRAAXN, Verein	6	Lebenshilfe Hartberg	3

⁸ Austrian labour foundations are an active labour market policy instrument in Austria to improve the labour market position of job seekers. They are based on Arbeitslosenversicherungsgesetz (§ 18) and on implementing directives issued by the labour market service (AMS). Latest AMS directive: http://www.ams.at/_docs/001_ast_RILI.pdf.

Enterprises and number of dismissals			
Arbeitsintegration			
Sozialpädagog. Cafe Zum Safrangarten	10	Lebenshilfe Judenburg gemeinnützige GmbH	6
Caritas der Diözese Graz-Seckau	110	Verein Krisun - Kolpingsfamilie	3
Chance B Sozialbetriebs GmbH	40	Lebenshilfe Leibnitz	8
EHLESO OG	1	Lebenshilfe Projekt SPZ	7
Eltern-Kind-Zentrum	2	Lebenshilfe Radkersburg	5
ErFA II	82	Lebenshilfe Steiermark Feldbach	1
Evang. Diakoniewerk Haus am Ruckerlberg	7	Lebenshilfe Steiermark Sektion Fuerstenfeld	3
FRATZ-GRAZ Freizeit u. Aktivitätsz.f. K.	1	Lebenshilfe Steiermark Sektion Hartberg	5
Gabriele Herrgesell Gemeinnuetzige Beschaeftigungsges.m.b.H.	1	Lebenshilfe Steiermark f. g u. mehrf. Beh. M.	20
Gemeinnützige Arbeitsintegrations GmbH	10	Lebenshilfe Trofaiach	4
Gemeinnützige Dienstleistungsges. Weiz	5	Lebenshilfe Weiz GmbH	1
Ges. für steirische Kinderdörfer	25	Lebenshilfe Wohn-u.Tagesheim	1
Gesellschaft zur Förderung seelischer Gesundh.	2	Lebenshilfe, Graz und Umgebung -	17
GIP Neue Lebensräume GmbH	1	Leib & Soel - Verein	6
Herbert Stöckl	3	LEO Lern- und Entwicklungswerkstätte	4
Hilfswerk Steiermark GmbH	1	LOGO jugendmanagement gmbh	1
HOME SERVICE Volkshilfe Steiermark	3	MAFALDA	2
Isop Innovative Sozialprojekte	19	Mit uns- Verein f. Heilpäd. Entwicklungsf.	4
IST - Soziale Dienstleistungs Ges.m.b.H.	2	Mosaik GmbH	31
Jugend am Werk Steiermark GmbH	74	Neue Lebensräume GmbH	1
JWF Sozialmanagement GmbH	9	Odilien- Blinden-Institut	11
Kinderfreunde Steiermark	18	OEKO-Service GmbH	13
Köflacher Kinder- Betreuungsstelle	3	Oesterr.Gesellschaft Rettet das Kind	6
Kohlbacher-Sinko GmbH	1	Oesterr.Kinderfreunde Ortsgruppe Leonhard	2
KOMPETENZ – Ber. u soz. Kompetenzz.	6	Oesterr.Kinderrettungsw.Steiermark	1
Kulturwerkstatt GesbR	1	Oesterreichische Kinderfreunde	11
L.I.F.F.T. - Verein	4	Pflegeelternverein Stmk.	26
Lebenshilfe Ausseerland	2	pro mente Steiermark	10
Lebenshilfe Bad Radkersburg Gaestehaus	2	Pronegg-Schleich Soziale Dienste KG	1
Lebenshilfe Bad Radkersburg Tageswerkst.	1	Psychosoziales Zentrum Voitsberg GmbH	1
SOEBSA, Sozial-Oeko-u. Beschäftigungsserv.	10	Region Gleisdorf Jugend und Kind KG	6
SOS - Kinderdorf	10	Verein f. Psy. u.Soz. Lebensberatung	5
		Verein für Beschäftigungsprojekte	97

Enterprises and number of dismissals			
Sozial- u. Heilpädagog. Förderinstitut Stmk.	5	Verein Humanistische Initiative	3
Sozial- und Begegnungszentren Graz	2	Verein IKEMBA	1
Sozialbetriebsgesellschaft Birkfelder Raum	1	Verein PFIFF - Mit- und Füreinander	1
Soziale Dienste Ennstal Egartner-Schloemicher	1	Verein Sozialmanagement Steiermark	1
Sozialmanagement Steiermark	1	Verein Sozialtherapeut. Betreuung.	1
sozKom GmbH & Co KG	1	Volkshilfe Steiermark	87
Steingruber Rita & Peter, Frühförderstelle	1	Verein VIDEF	2
Tagesmütter Graz-Steiermark	9	WENDEPUNKT-LEOBEN	1
Therapeutische Gemeensch. Steiermark	1	Wohnplattform Stmk	1
Ubuntu Verein z. sozialen Integration	5	Youth - 4U KG	2
Verein Die Bruecke	3		
Verein f. Opfer v.Gewalt u.Menschenrechtsverl.	1		
Verein f.psy. u. soziale Lebensberatung	1		
Verein Frauenplattform Bezirk Voitsberg	2		
Verein Frauenservice Graz	1		
Total enterprises: 105		Total dismissals: 1 050	

11. The break-down of the targeted workers is as follows:

Category	Number	Percent
Men	100	28,6
Women	250	71,4
EU citizens	330	94,3
Non EU citizens	20	5,7
15-24 years old	75	21,4
25-54 years old	260	74,3
55-64 years old	15	4,3
> 64 years old	0	0.0

12. There are 153 workers (43,7 % of the targeted workers) with a longstanding health problem or disability included in the categories above.

13. In terms of occupational categories, all the workers concerned by this application are personal care workers (ISCO-08 category 5).

14. In accordance with Article 7 of Regulation (EC) No 1927/2006, Austria has confirmed that a policy of equality between women and men as well as non-discrimination has been applied, and will continue to apply, during the various stages of the implementation of and, in particular, in access to the EGF.

Description of the territory concerned and its authorities and stakeholders

15. The territory concerned by the redundancies is the Land of Steiermark (Styria, AT22), one of Austria's nine federal provinces. Steiermark belongs to Austria's industrial regions, together with Niederösterreich, Oberösterreich and Vorarlberg. The Land shares a border with Slovenia, and its provincial capital, Graz, is Austria's second largest city after Vienna.
16. The main stakeholders are Styria's regional public employment services (*regionale Geschäftsstelle des Arbeitsmarktservice / AMS*), Styria's provincial government (*Steiermärkische Landesregierung*), Styria's Economic Chamber (*Wirtschaftskammer Steiermark*), the trade union of private sector employees, printing, journalism, and paper (*Gewerkschaft der Privatangestellten, Druck, Journalismus, Papier*), which is under the umbrella of Austria's Federation of Trade Unions (*Österreichischer Gewerkschaftsbund / ÖGB*) as well as the two umbrella organisations *Die Steirische Behindertenhilfe* and *Dachverband der Steirischen Jugendwohlfahrtsträger* representing the social welfare providers for the two client groups.

Expected impact of the redundancies as regards local, regional or national employment

17. In November 2011, Styria's unemployment rate was higher than that of Austria as a whole: 6,2 % compared to 4,1 %. Particularly high increases of unemployment among women were registered in this month (6,0 % increase since November 2010), partially reflecting the high share of women dismissed in the social services sector covered by this application⁹. Just a few months later (March 2012), Styria's overall unemployment rate was by 9 % higher than a year before (March 2011), representing the highest increase of unemployment among Austria's nine Federal provinces (average 4,4 % increase for Austria as a whole during the same period).
18. According to the Austrian authorities, Styria's health and social sector was hit harder by the economic and financial crisis and its consequences than other industrial areas in the province (increase of 7,5 % in unemployment in March 2012 compared to March 2011, a rate topped only by the construction sector where the increase in unemployment at 10,6 % during the same period was even more pronounced).
19. Austria estimates that more social services workers will lose their jobs in 2012 following the cuts in regional funds for assisting handicapped people and for mobile youth work. The total number of dismissals in the mobile social services sector in Styria will be significantly higher than initially thought by the social partners.
20. Styria was also affected by other mass redundancies for which EGF applications were submitted to the Commission: 744 redundancies in a nine-month period related to the automotive sector¹⁰, 476 redundancies in a nine-month period related to the basic metal sector¹¹ and 167 redundancies in a four-month period related to an enterprise specialising in electronic equipment¹².

⁹ In Austria, the share of women working in the social sector (about 80 %) is higher than in other sectors such as tourism (about 68 %) or construction (about 15 %).

¹⁰ EGF/2009/009 AT/Steiermark, approved by the Budgetary Authority in 2009, OJ L 347, 24.12.2009.

¹¹ EGF/2010/007 AT/Steiermark and Niederösterreich, approved by the Budgetary Authority in 2011, OJ L 263, 7.10.2011.

¹² EGF/2010/008 AT/AT&S, approved by the Budgetary Authority in 2011, OJ L 263, 7.10.2011.

21. All this, in combination with other factors (first and foremost the dramatic increase in future demand for healthcare and social services - white jobs - as a result of Europe's ageing population) makes an upgrading of qualifications and a sustainable reintegration of this specialised workforce so important.
22. The savings in Styria's social budget are being implemented despite a controversial debate between the mobile assistance providers and the regional government. The debate about integration, social justice for disadvantaged groups and their families and the possible impacts of the reductions and dismissals on the regional and local economy is still ongoing in 2012. In reply to a query from the European Commission services, Austria responded that, even after the implementation of the savings, Styria continues to consider itself as Austria's pioneer with regard to disability policies, and that the province remains committed to fulfilling the United Nations Convention on the Rights of Persons with Disabilities, which Austria had ratified in 2008. The Styrian regional government will table an action plan in 2012 providing guidelines for Styria's disability strategy 2012-2020 on the basis of the UN Convention. The guidelines will cover areas such as accessibility, employment, awareness and training, self-determined life, data and statistics.

Co-ordinated package of personalised services to be funded and a breakdown of its estimated costs, including its complementarity with actions funded by the Structural Funds

23. The following measures are proposed, all of which combine to form a coordinated package of personalised services aimed at reintegrating an estimated 350 former social services workers into employment. The measures will be provided to the 350 workers through a regional labour foundation (approved by the public employment service on 30.9.2011 and operational from 1.10.2011 up to 30.9.2016; latest possible entry date for workers: 30.9.2012). Verein Wirtschaftsoffensive (WOF) in Voitsberg / Köflach will be responsible for the delivery of the measures within the labour foundation. This regional development association already managed Austria's first EGF case, in the automotive sector¹⁰.
24. The 350 people to be assisted within the labour foundation will benefit from a coordinated programme comprising a methodological case management and a comprehensive training offer, tailored to the profiles and needs of the social service workers. The measures are agreed with and controlled by the public employment services (AMS, i.e. Arbeitsmarktservice) of Styria which assesses the usefulness of the upskilling and training measures for both the current and future labour markets (when the requirements will be different as a result of demographic changes).
25. In line with § 18 of Arbeitslosenversicherungsgesetz (ALVG) and depending on each person's previous work time pattern, the workers must involve themselves full-time. The minimum involvement cannot be lower than 20 hours per week. Compliance with the foundation rules (Stiftungsordnung) and other applicable laws is assured.
 - Case management: The **two case management modules** are available to all 350 targeted workers (counsellor / participant quota: 1:12):
 - Module 1 - Occupational orientation and activation;

– Module 2 - Active job search.

After having entered the labour foundation, workers follow the **first module** (duration limited to six weeks, with the possibility of extension to a maximum of 12 weeks in particular cases). An individual occupational pathway plan is developed for each participant reflecting the present and future needs of the labour market and each worker's possibilities and personal career prospects. The pathway plan is signed by the worker, the representatives of the labour foundation and the responsible regional AMS and forms the basis for the worker's subsequent activities within the labour foundation. Workers aged over 50 receive intensified assistance to improve their chances on the labour market. This module also includes the possibility for the workers to spend one week in an enterprise to try out a new post.

The **second module** provides the workers with personalised assistance to help them find new jobs. This includes techniques on how to approach the labour market, how to prepare for job interviews and selection tests, etc. Depending on each worker's profile and situation, the active job search can either start directly after the occupational orientation or on completion of the individual training path. Styria aims to upskill or retrain as many workers as possible before they start looking for new jobs in order to prepare for the region's future employment challenges (e.g. response to demographic ageing, greener and knowledge-based economy etc.). The normal duration of this module is limited to 14 weeks, renewable for an additional 14 weeks in specific cases (for participants aged over 50 or for people with a reduced working capacity).

- Individual training: Training measures are budgeted for all 350 targeted workers. The labour foundation will provide training for the dismissed workers to upgrade their skills and knowledge in preparation for future jobs with a growth potential: specialised health and social services professions requiring higher / academic qualifications (probably about half of the participants), but also jobs in the green industries and in the metal, electronics, trade and tourism sectors. The qualification options proposed to the workers vary according to their education levels and experience - for instance, lower skilled workers can receive vocational training to obtain a formal qualification or catch up with previously interrupted apprenticeships, people with specific technical qualifications will receive possibilities to obtain higher degrees. A part of the vocational training will not need to be co-financed by the EGF because it is delivered free of charge within the Austrian educational system. In cases where an agreed training programme takes longer than the EGF implementation period, the additional funding will be provided by the labour foundation¹³.
- Training allowance¹⁴: This allowance has been budgeted for all 350 workers and will be payable only for the duration of their participation in the training measures within the labour foundation. The rate is EUR 200 per person / month and was budgeted for 18 months. It permits the worker to cover travel expenses and the cost of learning materials. This allowance,

¹³ According to § 18 of Arbeitslosenversicherungsgesetz (ALVG), a worker's participation in the foundation is limited to 156 weeks (three years) with the possibility of extending it to 209 weeks (four years) in particular cases (people aged over 50 or people on longer qualification programmes).

¹⁴ Based on § 18 of Arbeitslosenversicherungsgesetz (ALVG).

combined with the subsistence allowance, may not exceed a worker's unemployment benefit assessment basis. Unemployment benefits are interrupted during the period while these training allowances are granted.

- Subsistence allowance while on training and on job search measures¹⁵: This allowance has been budgeted for all 350 workers and will be payable only for the duration of their participation in the training and active re-integration measures within the labour foundation. It permits a serious full-time involvement of each dismissed worker in the measures. The rate is EUR 1 000 per person / month and was budgeted for 11 months (average figures, as the actual amounts depend on each worker's salary prior to the dismissal and the period during which each worker remains in the active measures). This allowance, combined with the training allowance, may not exceed a worker's unemployment benefit assessment basis. Unemployment benefits are interrupted during the period while these subsistence allowances are granted.

26. The expenditure for implementing the EGF, which is included in the application in accordance with Article 3 of Regulation (EC) No 1927/2006, covers preparatory, information and publicity as well as control activities and the management of the regional labour foundation. The foundation management costs (EUR 75 000) are calculated on a flat rate basis. All partners involved in the measures are committed to communicating the EGF support.
27. The personalised services presented by the Austrian authorities are active labour market measures within the eligible actions defined by Article 3 of Regulation (EC) No 1927/2006. The Austrian authorities estimate the total costs of these services at EUR 7 850 500 and the expenditure for implementing the EGF at EUR 150 500 (1,88 % of the total amount). The total contribution requested from the EGF is EUR 5 200 650 (65 % of the total costs).

¹⁵ Based on § 18 of Arbeitslosenversicherungsgesetz (ALVG).

Actions	Estimated number of workers targeted	Estimated cost per worker targeted (EUR)	Total costs (EGF and national cofinancing) (EUR)
Personalised services (first paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Case management (2 modules): Occupational orientation and activation Active job search (<i>Maßnahmen der Betreuung, Orientierung und Aktivierung</i>)	350	1 030	360 500
Individual training, including internships and entrepreneurship training (<i>Ausbildungsmaßnahmen</i>)	350	7 000	2 450 000
Training allowance (<i>Ausbildungsbedingte Zuschussleistung / Stipendien</i>)	350	3 600	1 260 000
Subsistence allowance while on training and job search (<i>Schulungsarbeitslosengeld</i>)	350	10 800	3 780 000
Sub total personalised services			7 850 500
Expenditure for implementing EGF (third paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Preparatory activities			10 500
Management			75 000
Information and publicity			25 000
Control activities			40 000
Sub total expenditure for implementing EGF			150 500
Total estimated costs			8 001 000
EGF contribution (65 % of total costs)			5 200 650

28. According to Austria, the measures described above are complementary with actions funded by the Structural Funds. The Austrian ESF Operational Programme under objective 2 focuses on the long-term unemployed, whereas the EGF aims to help workers immediately after their lay-offs. Hence, there is no overlapping between the two funds. Furthermore, Austria has put in place certification of costs procedures to exclude any risk of double financing.

Date(s) on which the personalised services to the affected workers were started or are planned to start

29. Austria started the personalised services to the affected workers included in the co-ordinated package proposed for co-financing to the EGF on 1 October 2011. This date therefore represents the beginning of the period of eligibility for any assistance that might be awarded from the EGF.

Procedures for consulting the social partners

30. On 26.9.2011 and on 27.9.2011, the Styrian Economic Chamber (*Wirtschaftskammer Steiermark*) and Austria's Federation of Trade Unions (*Österreichischer Gewerkschaftsbund / ÖGB*) agreed to establish a regional labour foundation in support of the dismissed workers. The agreement of the partners was a prerequisite for the recognition of the labour foundation "Soziale Dienstleistungen Steiermark" by the AMS which was notified on 30.9.2011. The two umbrella organisations *Die Steirische Behindertenhilfe* and *Dachverband der Steirischen Jugendwohlfahrtsträger* were also involved in the discussions.
31. Austrian social partnership cooperation is a voluntary arrangement of mostly informal nature and is not regulated by law¹⁶. Only when enterprises decide to participate in specific labour market policy measures are they subject to the applicable public employment service (AMS) rules.
32. The Austrian authorities confirmed that the requirements laid down in national and EU legislation concerning collective redundancies have been complied with. Given the small size of the social services providers concerned, only a few of them were obliged to announce the planned redundancies according to the Austrian *Frühwarnsystem* (early warning system) in accordance with § 45a of the *Arbeitsmarktförderungsgesetz /AMFG*.

Information on actions that are mandatory by virtue of national law or pursuant to collective agreements

33. As regards the criteria contained in Article 6 of Regulation (EC) No 1927/2006, the Austrian authorities in their application:
- confirmed that the financial contribution from the EGF does not replace measures which are the responsibility of companies by virtue of national law or collective agreements;
 - confirmed that the actions provide support for individual workers and are not to be used for restructuring companies or sectors;
 - confirmed that the eligible actions referred to above do not receive assistance from other EU financial instruments.

¹⁶ ÖGB website http://www.sozialpartner.at/sozialpartner/Sozialpartnerschaft_mission_en.pdf

Management and control systems

34. Austria has notified the Commission that the Land of Styria and Styria's public employment services AMS will provide the 35 % national co-financing and are pre-financing the actions. The former will take on 25,5 % of the national co-financing and the latter 74,5 %.
35. Austria confirmed that the financial contribution will be managed by the same body that manages the ESF: unit VI/INT/9 within the Federal Ministry for Labour, Social Affairs and Consumer Protection (*BMASK Bundesministerium für Arbeit, Soziales und Konsumentenschutz*) will act as managing authority and as payment service. The financial control authority for the EGF is different from that of the ESF: unit VI/S/5a within BMASK will take on this function for the EGF.
36. The coordinated package of personalised measures is implemented by Regionalstiftung Soziale Dienstleistungen managed by Verein Wirtschaftsoffensive (WOF) with offices in the cities of Graz and Köflach, and is monitored by the public employment service (AMS). Furthermore, the BMASK is supported by a technical assistance provider who will also act as first level control. All major arrangements and obligations are laid down in written agreements.

Financing

37. On the basis of the application from Austria, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement EGF) is EUR 5 200 650, representing 65 % of the total cost. The Commission's proposed allocation under the Fund is based on the information made available by Austria.
38. Considering the maximum possible amount of a financial contribution from the EGF under Article 10(1) of Regulation (EC) No 1927/2006, as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount referred to above, to be allocated under heading 1a of the financial framework.
39. The proposed amount of financial contribution will leave more than 25 % of the maximum annual amount earmarked for the EGF available for allocations during the last four months of the year, as required by Article 12(6) of Regulation (EC) No 1927/2006.
40. By presenting this proposal to mobilise the EGF, the Commission initiates the simplified triologue procedure, as required by Point 28 of the Interinstitutional Agreement of 17 May 2006, with a view to securing the agreement of the two arms of the budgetary authority on the need to use the EGF and the amount required. The Commission invites the first of the two arms of the budgetary authority that reaches agreement on the draft mobilisation proposal, at appropriate political level, to inform the other arm and the Commission of its intentions. In case of disagreement by either of the two arms of the budgetary authority, a formal triologue meeting will be convened.

41. The Commission presents separately a transfer request in order to enter in the 2012 budget specific commitment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Source of payment appropriations

42. The amount of payment appropriations initially entered on the budget line 04 05 01 in 2012 will be fully consumed after the adoption by the two arms of the budgetary authority of the proposals submitted to date for mobilising the EGF and therefore insufficient to cover the amount needed for the present application. A reinforcement of the payment appropriations of the EGF budget line will be requested either through a transfer, in case a source of available appropriations can be identified, or an Amending budget. Appropriations from this budget line will be used to cover the amount of EUR 5 200 650 needed for the present application.

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund in accordance with point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (application EGF/2011/011 AT/Soziale Dienstleistungen from Austria)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management¹⁷, and in particular point 28 thereof,

Having regard to Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 establishing the European Globalisation Adjustment Fund¹⁸, and in particular Article 12(3) thereof,

Having regard to the proposal from the European Commission¹⁹,

Whereas:

- (1) The European Globalisation Adjustment Fund (EGF) was established to provide additional support for workers made redundant as a result of major structural changes in world trade patterns due to globalisation and to assist them with their reintegration into the labour market.
- (2) The scope of the EGF was broadened for applications submitted from 1 May 2009 to 30 December 2011 to include support for workers made redundant as a direct result of the global financial and economic crisis.
- (3) The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the EGF within the annual ceiling of EUR 500 million.
- (4) Austria submitted an application to mobilise the EGF, in respect of redundancies in 105 enterprises operating in the NACE Revision 2 Division 88 ('Social work activities without accommodation') in the NUTS II region of Steiermark (AT22), on 21 December 2011 and supplemented it by additional information up to 25 June 2012. This application complies with the requirements for determining the financial

¹⁷ OJ C 139, 14.6.2006, p. 1.

¹⁸ OJ L 406, 30.12.2006, p. 1.

¹⁹ OJ C [...], [...], p. [...].

contributions as laid down in Article 10 of Regulation (EC) No 1927/2006. The Commission, therefore, proposes to mobilise an amount of EUR 5 200 650.

- (5) The EGF should, therefore, be mobilised in order to provide a financial contribution for the application submitted by Austria.

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the European Union for the financial year 2012, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of EUR 5 200 650 in commitment and payment appropriations.

Article 2

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels,

For the European Parliament
The President

For the Council
The President