



EUROPEAN COMMISSION

PRESS RELEASE

Employment: Commission proposes €2.6 million from Globalisation Fund for former computer programming workers in Finland

Globalisation Fund provides €2.6 million to Finnish workers

The European Commission has proposed to provide Finland with €2.6 million from the European Globalisation Adjustment Fund (EGF) to help former workers and young people to find jobs.

Brussels, 6 November 2015

The European Commission has proposed to provide Finland with €2.6 million from the European Globalisation Adjustment Fund (EGF) to help 1,200 computer programming workers to find new jobs.

EU Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne **Thyssen**, commented: "*Globalisation has impacted the Finnish software industry and many workers are experiencing hardship. I'm confident that EGF support will prove valuable in helping them re-enter the labour market. The constant innovation in this particular industry requires also continuous education. Upgrading Europe's digital skills will be part of the EU-wide Skills Agenda I will present next year.*"

Finland applied for support from the EGF following the dismissal of 1,603 workers in 69 enterprises operating in the computer programming sector. These job losses were the result of employment in the ICT sector moving outside the EU.

The measures co-financed by the EGF would help the 1,200 workers facing the greatest difficulties in finding new jobs by providing them with career coaching and individual guidance; employment and business services; job-seeking training and a variety of vocational trainings; promotion of entrepreneurship, services for new entrepreneurs and start-up grants; hiring incentives; and a variety of training-related allowances.

The total estimated cost of the package is €4.3 million, of which the EGF would provide €2.6. The proposal now goes to the European Parliament and the EU's Council of Ministers for approval.

Background

In recent years, while the volume of employment in the ICT sector has been increasing globally, it has dropped in Europe as businesses and services are moved to China, India, Taiwan and other non-European destinations. In 2014 alone, the personnel of Finnish ICT companies was reduced by 1,500 people (3%).

The entire Finnish software industry has been impacted by the decisions of Nokia and Microsoft of offshoring, closing down production and stopping the development work in Finland. Numerous software industry companies whose operations were linked to Nokia or

Microsoft are experiencing problems. ICT services company Tieto, for instance, justified the lay-offs it announced in Autumn 2014 with the reduced number of orders from Nokia, one of its major customers. Companies such as Atos IT Solutions and Services, gaming company Rovio Entertainment and Samlink followed for similar reasons.

There is also a tendency of global companies operating in Finland transferring some of their operations to lower-cost countries. CGI, for example, announced in November 2014 that it needed to reduce its Finnish staff by 270 and to transfer its operations outside the EU.

Oulu in Northern Ostrobothnia and Uusimaa are the territories most affected by the redundancies. Oulu, in particular, has been a hub for company offices, R&D&I and labour since the 1980s, and the information sector accounts for approximately 12 % of the jobs in the area. In consequence, the Oulu area has been significantly affected by the job cuts in the ICT sector, recording unemployment rates above the national average. Furthermore, in Spring 2015, there were approximately 1,500 unemployed jobseekers in the ICT sector in the region and one-third of the unemployed with a higher education degree in the ICT sector have been continuously with no job for more than a year.

In Uusimaa, at the end of February 2015, unemployed jobseekers accounted for 11 % of the workforce and there were 5.1 unemployed jobseekers for each vacancy. The number of unemployed jobseekers in Uusimaa has exceeded 104,000 in August 2015 and is the highest figure since the early 1990s.

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. To help those adjusting to the consequences of globalisation, the EGF was set up. Since starting operations in 2007, the EGF has received 141 applications. Some €569 million has been requested to help more than 127,979 workers and 4,303 NEETs.

The [Fund continues during the 2014-2020 period](#) as an expression of EU solidarity, with further improvements to its functioning. Its scope has been broadened to include 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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