



EUROPEAN COMMISSION

PRESS RELEASE

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Commission proposes €5.3 million from Globalisation Fund for former Microsoft workers in Finland

The European Commission has proposed to provide Finland with €5.3 million from the European Globalisation Adjustment Fund (EGF) to help 1,441 former Microsoft workers to find new jobs.

Marianne Thyssen, EU Commissioner for Employment, Social Affairs, Skills and Labour Mobility, commented: *"An important feature of the global software industry is that it constantly requires a new, educated workforce, as the life cycle of products and related software solutions is very short compared to the life cycle of its personnel. The competition between employees from the EU and from outside the EU is fierce".* She added: *"Today's decision will help to prepare the former Microsoft workers for new job opportunities. Helping these workers to manage their difficult transitions is important and the Globalisation Fund is an instrument that has proved its worth over the years."*

Finland applied for support from the EGF following the dismissal of 2,161 workers in Microsoft and eight of its suppliers and downstream producers. The main reason behind the workforce reductions at Microsoft is the declining market share of its phones using the Microsoft Windows operating system. Although during the first decade of the 2000s Nokia dominated the markets, the two US-designed operating systems Android and iOS used by various Asian-based manufacturers, have risen to dominate the market in recent years. The market share of Windows phones was below 4 % every year from 2012 to 2015.

The measures co-financed by the EGF would help the 1,441 workers facing the greatest difficulties in finding new jobs by providing them with career coaching and individual guidance; employment and business services; a variety of vocational trainings; services for new entrepreneurs and start-up grants; hiring incentives; training-related allowances and contributions to removal costs.

The total estimated cost of the package is €8.9 million, of which the EGF would provide €5.3 million. The proposal now goes to the European Parliament and the EU's Council of Ministers for approval.

Background

The current application is the continuation of a series of previous applications from Finland, all revolving around the decline of Nokia in its country of origin. This started in 2007 with the Perlos case ([see IP/07/1412](#)) and includes two Nokia Finland cases in 2012 and 2013 ([see IP/12/1122](#) and [IP/13/949](#)) as well as [Broadcom](#) and [computer programming](#), in 2015.

Nokia initially moved production lines to the Far East, then closed down the more specialised production areas while retaining research, development and programming, sold the mobile phone operation to Microsoft, and now, even this is being closed down.

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Espoo, Salo and Tampere are the areas most affected by the redundancies.

The ICT cluster around Microsoft is concentrated in Espoo, in the Uusimaa region. This means that Espoo is severely hit by the redundancies: about 700 Microsoft workers in Espoo will be made redundant during this round of lay-offs.

At the end of August 2015, the number of long-term unemployed was 42% higher than a year before. At the same time, unemployment among highly educated people in Uusimaa is permanently above 15%. At the end of August 2015, there were a total of 95,967 unemployed jobseekers in Uusimaa, 13.3% more than a year before. The unemployment rate stood at 11.6%.

The Etelä-Suomi region, where the town of Salo is located, lost a total of 6,500 jobs between 2007 and 2013, a decline of 25%. As a result of the Nokia redundancies, the unemployment rate more than doubled between 2008 and 2015, from 7 to 17.5%. The proportion of highly educated people among the unemployed also increased.

Most of the large operators in the Tampere area (Länsi-Suomi region) have depended on the Nokia/Microsoft axis for their business. Subcontractors are therefore affected by the events, which have led to further redundancies among them.

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 146 applications. Some €577 million has been requested to help more than 134,000 workers and 2,944 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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