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**The European Globalisation Adjustment Fund:  
a social pilot project between political and economic realms**

Krzysztof Nowaczek

URGE

e-mail: [krzysztof.nowaczek@urge.it](mailto:krzysztof.nowaczek@urge.it)

**URGE** is the Research Unit on European Governance of the Collegio Carlo Alberto Foundation

Address: URGE, Collegio Carlo Alberto, Via Real Collegio 30, 10024 Moncalieri (Turin), Italy

Website: [www.urge.it](http://www.urge.it)

The European Globalisation Adjustment Fund (hereinafter EGF), launched in 2007 with a budget up to 500 million Euros a year, seeks to assist workers made redundant as a result of changing global trade patterns to find another job. As declared by José Manuel Barroso, President of the European Commission, the starting point for the elaboration of such an initiative was the search for a competitive, but also a fair EU<sup>1</sup>. This supranational social 'pilot project' has been an interesting political exercise in the face of the challenges related to the contemporary European Union trying to 'combine fire and water', i.e. to reconcile free trade with social solidarity. With the European Commission's recent positive evaluation of French, German and Finnish applications and with the new requests by the Maltese, Italian, Spanish and Portuguese governments already on the table, the interest in the relevance of the EGF increased. The following article provides an overview of the developments related to this EU financial initiative. In particular, it presents the rationale behind the Proposal on the EGF, the position of the stakeholders, and the current status regarding the application of the EGF.

### Origins of the European Globalisation Adjustment Fund

Following the discussion at the Informal Summit at Hampton Court in November 2005 and the mandate given by the European Council in December 2005, the European Commission adopted in March 2006 a proposal for a Regulation establishing the European Globalisation Adjustment Fund<sup>2</sup>. The initiative was considered as the expression of solidarity between Member States. Being competent for external trade policy and for decisions that lead to increased trade liberalisation and market opening, the Commission believed the Community to be also responsible for bearing the costs of policies that it implements. According to the European Commission's impact study, some 35,000 to 50,000 workers a year could benefit from the aid allocated by the EGF. The negotiations on the draft were launched by the Austrian Presidency in the Council's Social Questions Working Party on 24 April 2006<sup>3</sup> and continued throughout until the end of the year, with the leading role of the Finnish Presidency which considered it as one of its central objectives in the area of employment.

During negotiations, the articles which became the most outstanding were the following: the intervention criteria (Article 2), the eligibility criteria (Article 3) and the determination of the financial contribution (Article 10)<sup>4</sup>. During negotiations, three groups of countries sceptical as for the application of the EGF emerged. Firstly, liberal states such as *the UK* (joined later by *the Czech Republic*) were concerned that the intervention of the EGF could disturb a fair internal competition and would build another tier of the Brussels-based bureaucracy. Secondly, net contributors to the EU budget (*Germany, Sweden, and the Netherlands*) were preliminary sceptical about establishing another fund that would support other poorer members of the EU. And thirdly, small states (*Estonia, Malta and Slovakia*) were preoccupied that they would be left outside the remit of the Fund and most funds would go to the bigger countries where large companies would easily fulfil intervention criteria. On the other hand, the French government, the biggest supporter of the introduction of the European

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<sup>1</sup> European Commission, Press Release, Commission proposes up to €500 million per year for a new European Globalisation adjustment Fund to support workers, available at: [http://ec.europa.eu/employment\\_social/emplweb/news/news\\_en.cfm?id=131](http://ec.europa.eu/employment_social/emplweb/news/news_en.cfm?id=131).

<sup>2</sup> The Commission issued a package composed of four documents: Commission (2006) 'Proposal for a Regulation establishing the European Globalisation adjustment Fund', COM(2006) 91, 1 March 2006; Commission (2006) 'Proposal for a Regulation establishing the European Globalisation adjustment Fund. Impact Assessment', SEC(2006) 274, 1 March 2006; Commission (2006) 'Types d'actions éligibles au Fonds d'Ajustement à la Mondialisation', COM(2006) 314, 1 March 2006; Commission (2006) 'Proposal for a Regulation establishing the European Globalisation adjustment Fund. Rationale for the Intervention Criteria', COM(2006) 315, 1 March 2006. The above documents are available at: <http://www.europarl.europa.eu/oeil/>.

<sup>3</sup> Austrian Presidency, 9594/06, 23 May 2006.

<sup>4</sup> Social Questions Working Party, 14374/06, 27 October 2006, p.2.

Globalisation adjustment Fund, perceived this initiative as 'a political and financial gesture of solidarity in extraordinary cases'<sup>5</sup>.

### Scope of the EGF

The EGF has officially entered into the force in January 2007 following the approval of the Council and the Parliament in December 2006<sup>6</sup>. Article 2 of the Regulation names the 'intervention criteria' for a financial contribution. The basic criteria exist when major structural changes in world trade patterns lead to a serious economic disruption, notably:

- i) a substantial increase of imports into the EU, or
- ii) a rapid decline of the EU market share in a given sector, or
- iii) a delocalisation to third countries.

The above changes should result in:

- i) at least 1000 redundancies over a period of 4 months in an enterprise, including workers made redundant in its suppliers or downstream producers, or
- ii) at least 1000 redundancies, over a period of 9 months, particularly in SME, in a NACE 2 sector in one region or two contiguous regions at NUTS II level<sup>7</sup>, or

In small labour markets, or in exceptional circumstances, an application may be considered admissible even if the above conditions are not entirely met, when redundancies have a serious impact on employment and the local economy.

The Fund has been foreseen to offer resources for: job search and mobility allowances; counselling; new ICT skills and other forms of training, entrepreneurial support - including micro credits - to workers who have been made redundant. It will help individual workers; companies will not receive support from the Fund. It will fund only active employment measures to keep people in employment, but not passive social protection measures such as early retirement schemes or unemployment benefits, which are the competence of Member States. It will provide one-off, time limited support. Governments will be allowed to apply measures to stimulate in particular disadvantaged or older workers, to remain in or return to the labour market.

Member State may apply for up to 50% of the total costs<sup>8</sup>. The remaining costs of the action plan are supposed to be covered by national budgets.

Following the analysis of the application, the Commission makes a proposal to deploy the Fund. The final decision is taken jointly by the two other arms of the budgetary authority (i.e. the European Parliament, the Council). The Council acts by a qualified majority and the European Parliament by a majority of its members and three fifths of the votes cast<sup>9</sup>.

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<sup>5</sup> George Parker and Sarah Laitner, Financial Times, European Hampton Court Summit: Leaders face split over EU 'shock absorber' for regions, 20 October 2005, available at: <http://search.ft.com/ftArticle?queryText=%22globalisation+adjustment+fund%22&aje=true&id=051020000666>.

<sup>6</sup> European Parliament and Council (2006) 'Regulation on establishing the European Globalisation Adjustment Fund', No 1927/2006, 20 December 2006.

<sup>7</sup> General Name for Economic Activities in the European Union (NACE) is a European industry standard classification system consisting of a 6 digit code. The Nomenclature of Territorial Units for Statistics (NUTS) is a standard for referencing the administrative divisions of countries for statistical purposes (e.g. NUTS II in Italy would be regions).

<sup>8</sup> During the negotiations on the Article 10, some delegations (*Czech Republic, Germany, Denmark, the Netherlands, Sweden and the UK*) disagreed against the 50 percentage of the contribution to be provided from the Community budget. These delegations supported the Presidency submission to lower the level to 40%, whereas some other (*Belgium, Spain, France, Italy, Malta, Poland, Portugal and Latvia*) effectively advocated keeping the preliminary Commission's threshold. See: Social Questions Working Party, 15696/06, 22 November 2006, p.2.

<sup>9</sup> The budget procedure of the EGF refers to the provisions of Point 28 of the 2006 Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (2006/C 139/01).

Back in 2005, it was speculated that the amount allocated to the Fund would be as high as 1 billion Euros a year<sup>10</sup>. In the final version, the maximum amount of expenditure from the Fund will be much less, i.e. 500 million Euros per year, taken from 'under-spents' of the Community budget. 'Collecting' this amount of money would be, according to José Manuel Barroso, 'perfectly possible' without tampering with the EU budget structure<sup>11</sup>. The Fund as such is kept outside the normal budget, consequently making the budgetary system even more complex and taking it beyond parliamentary scrutiny.

### Opinion of the stakeholders

Both the European Economic and Social Committee as well as the Committee of the Regions warmly welcomed the Commission's Proposal for the Regulation establishing the EGF. The EESC stressed that in order to ensure smooth cooperation between various tiers of authorities the Commission should participate in meetings at regional and local level. The Committee noted also that the "(...)EGF should be restricted to financing various kinds of education and training facilities and framework conditions" since "(...)income-related areas such as retirement rights and social benefits are an exclusive competence of the Member States"<sup>12</sup>. The Committee of the Regions called for a more regional approach to the EGF and criticised its limited financial volume. The CoR proposed that the Fund should be available to the enterprises with redundancies of at least 500 workers (instead of 1,000 as envisaged in the final version). The Committee argued also in favour of a greater flexibility in the procedures for allocating funds and the possibility of complementing financial assistance to the relevant actions through other Community financial instruments. The CoR called for other instruments to be created to address job losses arising from intra-EU relocation<sup>13</sup>.

The European Trade Union Confederation welcomed the setting up of the instrument, yet it criticised the limited role of the Social Partners. The Regulation requests for consultation and information to be provided to Social Partners regarding the measures linked to the implementation of the Fund. The ETUC stressed also that the number of workers losing their jobs following restructuring operations has topped the 570,000 mark which is much higher than the number of workers that could benefit from the EGF (i.e. 35,000 to 50,000 workers a year as stipulated by the Commission)<sup>14</sup>.

Ann Mettler, executive director of the Lisbon Council, a Brussels-based group favouring economic change stated that the EGF "(...)is an important step in the right direction partly because it sends a signal that restructuring is part of the normal process of creative destruction in any advancing economy"<sup>15</sup>. On the other hand, Anton Hemerijck, the director of the Netherlands Scientific Council for Government Policy, was concerned that the Fund "(...)would reinforce traditional beggar-thy-neighbour political lobbying over EU funds for regional adjustment"<sup>16</sup>. Critics argued that the profile of the EGF should be sharpened and resources should be focused on active labour market policies. In particular, Etienne Wasmer and Jakob von Weizsäcker<sup>17</sup>

<sup>10</sup> George Parker and Sarah Laitner, *op.cit.*

<sup>11</sup> Raphael Minder and Chris Smyth, *Financial Times*, EU shows 'caring side' to victims of globalisation, 1 March 2006.

<sup>12</sup> Opinion of the European Economic and Social Committee on the Proposal for a Regulation establishing the European Globalisation adjustment Fund, 2006/C 318/05, 23 December 2006.

<sup>13</sup> Opinion of the Committee of the Regions on the Regulation establishing the European Globalisation adjustment Fund, 2007/C 51/01, 11 and 12 October 2006.

<sup>14</sup> The ETUC welcomes the setting up of the European Globalisation Adjustment Fund, available at: [www.etuc.org/a/2134](http://www.etuc.org/a/2134).

<sup>15</sup> James Kanter, *International Herald Tribune*, EU fund to ease globalization pain, 1 March 2006.

<sup>16</sup> Anton Hemerijck, 'Joining forces for Social Europe reasserting the Lisbon Imperative of 'double engagement' and more', Lecture to the Conference "Joining Forces for a Social Europe", Nuremberg, 8/9 February 2007, available at: [www.eu2007.bmas.de/EU2007/Redaktion/Englisch/PDF/2007-02-08-kraefte-buendeln-presentation-netherlands.property=pdf,bereich=eu2007,sprache=en,rwb=true.pdf](http://www.eu2007.bmas.de/EU2007/Redaktion/Englisch/PDF/2007-02-08-kraefte-buendeln-presentation-netherlands.property=pdf,bereich=eu2007,sprache=en,rwb=true.pdf).

<sup>17</sup> Wasmer and Weizsäcker, *op.cit.*

recommended supporting just two measures: wage insurance (i.e. a wage insurance programme paying top-up of between 50% and two third of the pay difference between the net salary of the old and the new job, for up to 2 years) and mobility allowance (i.e. an allowance amounting to 2 months' previous gross pay for job-related moves of more than 50 km). These particular instruments would signal the public interests in workers accepting a new job, rather than remaining unemployed and receiving social benefits. Kostas Hatzidakis, a Greek Member of the European Parliament, criticised the version of the Regulation prepared by the Council perceiving it as discriminating towards smaller countries and actually fostering Euro-scepticism<sup>18</sup>. According to the Financial Times, the Fund might be considered as a reward for failure, for countries which fail and/or are reluctant to reform<sup>19</sup>.

Following the adoption of the Commission Proposal, EUROCHAMBERS (the Association of European Chambers of Commerce and Industry) declared in March 2006 that the EGF “(...)is a mistake and will produce a wrong message to European entrepreneurs”<sup>20</sup>. Firstly, the Proposal sends the wrong signal to EU citizens giving an impression that the EGF can protect Europe from the rest of the world. Secondly, the Fund will offer only short-term social gains, but in the longer run will not stimulate the necessary change in the economy. Thirdly, the EGF may overlap with the European Social Fund. And fourthly, money linked to the EGF would be better spent if allocated on “(...)positive measures which encourage entrepreneurship, promote European business on the global market, and support of R&D”. The opinion of UEAPME (the European Association of Craft, Small and Medium-Sized Enterprises) expresses a similar tone<sup>21</sup>. As much as UEAPME understood the political justification of the EGF, it believed the economic justification is more questionable. Depending on the application of the Fund, the envisaged budget can be either too limited or too broad. The nature of the Fund can cause confusion and the EGF as such may only add up a new bureaucracy. It will be difficult to present evidence of a direct link between specific redundancies and changing trade patterns. In the opinion of UEAPME, the access to Fund for workers of SMEs might be too restricted and consequently large companies from big countries will be favoured. Ironically enough, owing to the intervention criteria on ‘delocalisation to third countries’, some companies might be actually eager to move their business outside the EU considering the possible support of the EGF. Similarly, the EGF may create “(...)a feeling of unfair treatment between workers made redundant because of relocation or restructuring limited within the European Union and others made redundant because of relocation of activities outside the European Union”.

### **Current status of applications**

As of the beginning of November 2007, the Commission has received in total ten applications. Two applications from France, one from Germany and one from Finland were already positively reviewed by the Commission services. Six further applications (three from Italy and one from Malta, Spain and Portugal) are being currently screened in Brussels (see table below).

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<sup>18</sup> Kostas Hatzidakis, Size matters? Globalisation and Discrimination, 2 December 2006, available at: [www.neurope.eu/view\\_news.php?id=67710](http://www.neurope.eu/view_news.php?id=67710).

<sup>19</sup> George Parker and Sarah Laitner, *op.cit.*

<sup>20</sup> Proposed Globalisation Fund sends wrong signal to European entrepreneurs, EUROCHAMBERS, Press Release, available at: [www.eurochambres.be/PDF/pdf\\_press\\_2006/12-GlobalisationFund1March06.pdf](http://www.eurochambres.be/PDF/pdf_press_2006/12-GlobalisationFund1March06.pdf).

<sup>21</sup> Position on European Globalisation Adjustment Fund, UEAPME, available at: [www.ueapme.com/docs/pos\\_papers/2006/060404\\_EGAF.pdf](http://www.ueapme.com/docs/pos_papers/2006/060404_EGAF.pdf).

Member State	Case	Sector	Applicaton received	Amount requested	Average of EU assistance per worker
France	Peugeot suppliers	Car manufacturing	11 May 2007	€ 2 558 250	€ 9581
France	Renault suppliers	Car manufacturing	11 May 2007	€ 1 258 030	€ 2003
Germany	BenQ	Mobile phone manufacturing	27 June 2007	€ 12 766 150	€ 3865
Finland	Perlos	Mobile phone manufacturing	18 July 2007	€ 2 028 538	€ 2217
Italy	Sardegna	-	26 July 2007	€ 13 888 300	-
Italy	Piemonte	-	10 August 2007	€ 10 901 200	
Italy	Lombardia	-	17 August 2007	€ 18 707 500	
Malta	Malta	-	12 September 2007	€ 681 207	
Spain	DELPHI	-	October 2007	€ 14 957 382	
Portugal	Lisboa-Alentejo	-	October 2007	€ 2 425 675	

Table 1: Current applications submitted to the European Commission (as of October 2007); updated information available at: [http://ec.europa.eu/employment\\_social/egf/current\\_en.html](http://ec.europa.eu/employment_social/egf/current_en.html).

In March 2007, the French government filed two requests to the European Commission on the funding from the EGF. Six weeks later, the French government submitted additional documents. The Commission needed six more weeks to prepare its formal reply (12 July 2007). Two weeks later, by publishing the Proposal for a Decision<sup>22</sup>, the budgetary procedure was started. Following the application, the government spokesperson declared that the application “(...)was a way to show this fund is there to help people get jobs and get back on their feet”<sup>23</sup>. France requested nearly 4 million Euros for the support to the automobile equipment suppliers for Renault (€1,258,030) and Peugeot (€2,558,250) facing currently structural difficulties due to international competition. Although pressure from the Asian suppliers has been the same across all Member States, other European companies are doing much better than their French counterparts. As one Brussels-based expert noted, “(...)the French request was the first one. One should not set a precedent by authorizing this assistance for political reasons, when it does not meet the eligibility criteria for funding”<sup>24</sup>. As reported by *Le Monde*, the French government had difficulties in convincing the Commission about the rationale of the applications. Nevertheless, the Commission’s decision concerning the first two applications was positive for the French government.

Over 5 million Euros (with the 50% support from the EGF) will be provided to 267 workers made redundant in one of the suppliers of Peugeot in Ardennes. Around 82% of financial support is meant to be spent on 12-month long job-search allowance to assist workers in participating in the training and in seeking new jobs. Two other pillars of the personalised services: training measures and grants to stimulate older or disadvantaged workers to remain in the labour market will receive respectively 5% and 13% of the total funding. In the application of Renault, the share of support for job search assistance accounts for 50%. The remaining financing is to be allocated on trainings leading to obtaining qualification, measures

<sup>22</sup> European Commission, Proposal for a Decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, 12 July 2007, COM(2007) 415.

<sup>23</sup> George Parker and Sarah Laitner, *op.cit.*

<sup>24</sup> Philippe Ricard, *Le Monde*, Aides à la reconversion : le dossier peu convaincant de Paris, 1 April 2007, own translation.

stimulating older workers and other instruments. 628 workers from four production sites will profit via a new instrument especially conceived for the application of the EGF.

In June, the German government filed a request to tackle labour market related problems within two German subsidiaries of BenQ company that nearly one year earlier had taken over Siemens' mobile phone business. The requested amount of financial contribution for 3303 workers was more than three times higher than in the French requests, i.e. € 12,766,150. Here again the short-term allowance, meant to secure financial means for workers who accepted to enter into a transfer company<sup>25</sup> after BenQ announced the discontinuation of funding for its two German subsidiaries, accounted for 70% of the total costs of the project. Further 13% of the funding will be spent to cover mobility allowances allowing unemployed workers to accept less attractive job offers in terms of a geographic remoteness and lower salary.

The fourth application was submitted by the Finland's government. Intervention criteria in this application was based upon Article 2(c) wherein assistance can be granted to workers made redundant in "*small labour markets(...)duly substantiated by the Member State(s) concerned(...)when redundancies have a serious impact on employment and the local economy*". The said 'small labour market' is located in the Northern Karelia, in the east of Finland where two factory sites were shut down. To assist 915 redundant workers, the Perlos Service Unit was established as the 'regular' employment services were perceived as insufficient in this particular case. Besides job-search assistance, money will be allocated to training, entrepreneurship promotion, mobility allowance (travel and removal cost allowance), and subsidy vouchers to support a job seeker's employment by decreasing the wage costs of a new employer.

Following the positive evaluation of the Commission, in all cases, the final decisions are to be taken now by the Parliament and the Council.

Six other applications were not revised yet by the Commission services. At the moment of writing of the article, these files were not available yet for third parties. Within the period of one month (July-August 2007), the Italian government lodged three applications for the entire sum of over 43 million Euros. The names of the cases refer to three regions: Sardinia<sup>26</sup>, Piedmont and Lombardy and in that respect they differ from the previous files lodged on behalf of private companies. Should the Commission positively revise these applications, Italy could become the biggest beneficiary of the EGF in 2007. The recent application from Malta might refer to the statement of the Maltese government that stipulated the possibility of applying for the Fund to assist around 700 workers made redundant by the closing of two textile companies: VF Jeanswear and Bortex factories<sup>27</sup>. The Portuguese application seeks to subsidise activities within two regions: Lisbon and Alentejo, while the Spanish request, with the biggest budget so far, is supposed to assist redundant workers for the DELPHI company, a supplier of mobile electronics and transportation systems.

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<sup>25</sup> A transfer company is an instrument under German law that is put in place to prepare redundant workers for a new job through qualification and placement activities.

<sup>26</sup> The Sardegna application was preceded by the Agreement between the regional employment administration (*l'Assessorato del Lavoro*), the Province of Nuoro and the Social Partners. Around 1200 workers are promised to profit from activities sponsored by EGF. Consiglio Regionale della Sardegna – Interrogazione n. 423/A (Davoli, Uras, Pisu) sulla grave situazione di crisi della Sardegna Centrale, available at: [www.regione.sardegna.it/documenti/1\\_50\\_20070725173528.pdf](http://www.regione.sardegna.it/documenti/1_50_20070725173528.pdf).

<sup>27</sup> Malta Star, Gonzi takes up Labour's proposal, 22 June 2007, available at: [www.maltastar.com/pages/msFullArt.asp?an=13031](http://www.maltastar.com/pages/msFullArt.asp?an=13031).

### Concluding remarks

In order to show a more 'caring dimension' and counteract the image of the EU as the scapegoat of unpopular decisions, the EU and national policy-makers decided to establish the EGF. It might have been a surprising decision; back in 2005, a senior EU senior official pessimistically expected the initiative to be blocked by more liberal members states<sup>28</sup>. Yet the supporters of the Fund believed that the initiative would help EU citizens 'digest' decisions related to further opening of the borders to external competition. The Fund is supposed to make the EU visible not only in the regions under the average of GDP per capita where the Structural Funds are located but also in the more developed Member States (i.e. France, Germany). In this sense, Eurosceptics might start believing in the more positive dimension of Brussels. To a certain extent, the Fund might prove the European Union to be an 'umbrella against globalisation' rather than a 'transmission belt of liberalisation'. It remains to be seen to what extent it is a positive trend. Leaving the evaluation aside, one could indicate ever stronger protectionist signals from national politicians. The successful attempt of the French President Nicolas Sarkozy to delete from the Reform Treaty reference to 'free and undistorted competition' was followed by another 'wording' victory. The new version of the Treaty stipulates in Article 3(5) that: 'In its relations with the wider world, the Union shall uphold and promote its values and interests and *contribute to the protection of its citizens'* (*italics added*). It will be interesting to see how the future developments related to the EGF will fit to such a rhetoric.

As the Commission services informed, a number of further requests for information from local and regional authorities, and several questions from MEPs were lodged. However, on the account of few applications submitted so far, liberal publicists perceived the threat from the off-shoring of jobs outside the EU exaggerated<sup>29</sup>. As the latest European Restructuring Monitor reported<sup>30</sup>, in the first half of 2007 job cuts as a direct result of off-shoring and delocalisation accounted for around 4.5% of all jobs lost. Nevertheless, the most important reason for job-cuts, i.e. internal restructuring (resulted in around 40,000 redundancies in the second quarter of 2007) has been also occurring due the strong impact of global competition on EU markets.

Is the EGF as some critics argue "(...)*primarily an expensive and self-serving public relations exercise of the Commission, without any compelling economic rationale*"<sup>31</sup>? Or can it really serve as a European added value to building some active labour policy measures? It is too early to estimate the exact output of the EGF and its future. In quantitative terms, according to the European Trade Union Confederation, only 10 per cent of the workers eligible for funding could benefit from the Fund. Furthermore, final effects depend on the actions sponsored by the Fund. Only active labour market measures could indeed help relocate redundant workers into more promising labour sectors. As a matter of fact, in the case of already revised applications, most financial support goes to the vaguely defined 'job-search assistance'.

Interestingly enough, the Fund itself might not bring the expected results from the 'marketing' point of view. The visibility of the EGF still remains the issue to be solved. Contrary to the provision prescribed in the Regulation's Article 9(2), the Commission still, ten months after the adoption of the Regulation, has not set up a web site devoted to the EGF in all Community languages, limiting on-line information to merely three main languages. Only partial interest in the Fund expressed so far by the domestic media might again leave citizens unaware of this initiative. This might become even more problematic owing to the lack of rules

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<sup>28</sup> George Parker and Sarah Laitner, *op.cit.*

<sup>29</sup> George Parker and Sarah Laitner, *op.cit.*

<sup>30</sup> European Restructuring Monitor quarterly, the European Foundation for the Improvement of Living and Working Conditions, Issue 2, summer 2007, available at: <http://www.eurofound.europa.eu/publications/htmlfiles/ef0775.htm>.

<sup>31</sup> George Parker and Sarah Laitner, *op.cit.*

concerning the way the EGF and the EU as such should be pointed out to among individual recipients and general public opinion as the actual source of financial support. Furthermore, although the EGF was adopted as an instrument that would give a more human face to the EU image, this might not work in the way envisaged, at least, by the Commission. The problem lies in the rules of the procedure that put national governments in an advantaged position. If, in the final output of the application revision, money is granted, national governments will 'claim glory' for the positive decision. On the other hand, should an application be rejected, it will be the Commission to be blamed for the unsuccessful output. One way or another, the EU as such might not profit in improving its perception among citizens the way it has been hoped for.

**Relevant Websites:**

- EGF website:  
[http://ec.europa.eu/employment\\_social/egf](http://ec.europa.eu/employment_social/egf)
- FAQ document prepared by the Commission services  
[http://ec.europa.eu/employment\\_social/egf/docs/egf\\_faq\\_contact%20persons\\_en.pdf](http://ec.europa.eu/employment_social/egf/docs/egf_faq_contact%20persons_en.pdf)
- Council documents available at:  
<http://register.consilium.europa.eu/servlet/driver?page=Advanced&typ=&lang=EN&fc=REGAISEN&srm=25&md=100&cmsid=639>
- Euractiv coverage on EGF:  
<http://www.euractiv.com/en/socialeurope/eu-globalisation-fund-solidarity-symbol/article-153032>
- URGE Social Europe Issues  
<http://www.urge.it/english/socialissue.php>