

Commission press release on ECSC readaptation aid to Portuguese workers (23 October 1987)

Caption: In a press release dated 23 October 1987, the European Commission notes that, the same day, a bilateral agreement has been signed with Portugal defining the conditions for granting European Coal and Steel Community (ECSC) readaptation aid to Portuguese workers.

Source: RAPID. The Press and Communication Service of the European Commission. [ON-LINE]. [Brussels]: European Commission, [24.10.2007]. IP/87/439. Disponible sur <http://europa.eu/rapid/setLanguage.do?language=en>.

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http://www.cvce.eu/obj/commission_press_release_on_ecsc_readaptation_aid_to_portuguese_workers_23_october_1987-en-6aca1e54-103e-4981-94f2-328f57515ff7.html

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The Commission and Portugal sign a Community aid agreement for the retraining of Portuguese ECSC workers (23 October 1987)

The European Commission and Portugal have concluded a bilateral agreement defining the conditions for granting ECSC readaptation aid to workers in the coal and steel industry. The Convention was signed in Lisbon on 23 October 1987 by Vice President Manuel Marin on behalf of the Commission and by the Portuguese Minister of Labour and Social Security, Mr Silva Peneda on behalf of the Portuguese Government.

The agreement is an important feature of the social support accompanying scheme for the industrial restructuring arising from Portugal's participation in Community industrial policy in the coal and steel sectors. Article 56 (2) (b) of the Treaty of Paris, which established the ECSC in 1951 provided that Community aid could be paid to workers affected by definitive reductions in production capacity, provided that the Member State contributes at least the equivalent amount towards specific readaptation measures for the workforce in question.

Traditionally, aid arrangements are defined in the Convention between the Member State and the Commission so that they can be adapted to suit the context and legislation of each Member State. The Convention concluded with Portugal therefore includes and adapts a range of traditional aids developed by the ECSC since 1951 for workers from general resources derived from the levy paid by ECSC enterprises.

In the case of Portugal the range includes two main categories of aids:

1. Measures to supplement benefits received by workers who have lost their jobs; an allowance for termination of the employment contract, tide-over their allowances and their equivalents for elderly workers who retire from the labour market (early retirement pension).
2. Measures to facilitate labour market re-integration: vocational training, wage allowance during training, higher tide-over allowance to stimulate job creation by the workers themselves, costs of presentation and analysis of job creation projects, removals allowance, compensation for any loss of income in the case of redeployment.

These measures should apply to some 2,000 to 2,500 redundant workers in ECSC sectors who will lose their jobs in the next three years. Since the current estimate of the average cost of ECSC participation is about 3,000 ECU per worker the amount to be committed in respect of Portugal for readaptation aids will amount to 7 to 8 million ECU (about ESC 1,140 to 1,300 million). This amount could be increased if the Portuguese national effort is higher than planned.

In addition to the aid granted under the Convention, Portuguese ECSC workers will benefit from the supplementary social programme recently established by the Commission to attenuate the social effects of redundancies in 1987. The supplementary programme entails an increase of about 2,000 ECU in the ECSC contributions under Article 56 (2) (b) to the early retirement measures. In the case of job losses in 1988-1990 the supplementary programme will be replaced by a new set of social measures if the Council of Ministers approves of the Commission proposals.