

Ericsson - Sweden



Redundancies occurred in Stockholm,
Östra Mellansverige, Sydsverige, Västsverige

Reference	EGF/2017/007 SE/Ericsson
Member State	Sweden
Sector	Division NACE 2 Division 26 (Manufacture of computer, electronic and optical products)
Submitted to European Commission	9 August 2017
Total budget planned	4 177 254
EGF contribution	2 506 352
Intervention criterion	Article 4(1)(a) of the EGF Regulation
Period of reference	17 January 2017 – 17 May 2017
Redundancies during period of reference	2 388
Active employment measures	To be provided for 900 workers and include: <ul style="list-style-type: none"> - Counselling and Career Guidance - Sheltered and supported employment and rehabilitation measures - Education and training - Job search allowances

BACKGROUND

- Ericsson manufactured telecom hardware at various plants in Sweden. The application is justified by a general trend in the industry to outsource telecom hardware production to Asia, where not only the strongest growth markets are located, but also equivalent quality can be delivered at lower costs.
- The events giving rise to these redundancies are the partial or entire closures of hardware production lines at several Ericsson production sites in Sweden. As part of an on-going process of offshoring, closures were first announced during the first half of 2015, and a subsequent EGF application was made by Sweden for 913 workers, which was approved by Parliament and Council in October 2016 (EGF/2016/002 SE/Ericsson).
- The redundancies have a significant adverse impact on the local economy in the regions concerned. All regions face the problem that a relatively large group of older workers with similar backgrounds is made redundant at the same point of time. Most of these workers do not possess the skills sought after on the local labour market.
- The Swedish Public Employment Service closely involved unions and local authorities in the design of the packages of personalised services, which also specifically target workers in the age bracket 55-64, who comprise 30% of the targeted workers for the project.