

# Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail sector in Greece

2014/2107(BUD) - 13/11/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 573 votes to 75, with 15 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund to the amount of **EUR 7 290 900** in commitment and payment appropriations in order to assist Greece following redundancies in the retail sector.

Parliament recalled that the Union set up legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market.

**Greek application:** Greece submitted application EGF/2014/009 EL/Sprider Stores for a financial contribution from the EGF, following the dismissal of 761 workers, with all of the 761 dismissed workers expected to participate in the measures, in Sprider Stores S.A., an enterprise which operated in the retail sector in the regions of Central Macedonia and Attica of Greece.

The reference period was between 17 November 2013 and 17 March 2014.

Parliament agreed with the Commission that the intervention criteria set out in Article 4(1)(a) of the EGF Regulation are met and that, therefore, **Greece is entitled to a financial contribution under that Regulation.**

Parliament also welcomed the speedy evaluation by the Commission of less than five months. It welcomed the fact that, in order to provide workers with speedy assistance, the Greek authorities decided to initiate the implementation of the personalised services to the affected workers on 1 September 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package.

**Nature of the redundancies:** Parliament agreed that the crisis resulted in a huge drop of purchasing power and the drastic reduction in loans to enterprises and individuals due to the lack of cash in the Greek banks. It noted that, to date, the retail sector has been the subject of another three EGF applications also based on the global financial and economic crisis.

These redundancies will further aggravate the unemployment situation in the country.

**NEET:** Parliament stated that, in addition to the 761 redundancies, the Greek authorities will provide personalised services co-financed by the EGF to up to 550 young people not in employment, education or training (NEETs) under the age of 30.

The proposed actions should be adapted to take into account the differences between the needs of dismissed workers and selected NEETs. The maximum eligible amount of EUR 15 000 will be granted to 200 selected workers and NEETs as a contribution to setting up their own businesses.

**Coordinated package of personalised services:** Parliament stated that the personalised services which are to be provided to workers made redundant consist of the following actions which combine to form a co-ordinated package of personalised services: occupational guidance and career planning supports,

training, retraining and vocational training, contribution to business start-up, job-search allowance and training allowance, mobility allowance.

**New EGF:** Parliament noted that the income supports measures will be strictly limited to a maximum amount of 35% of the overall package of personalised measures, as set out in the EGF Regulation and that these actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities.

It welcomed the adoption of the EGF Regulation which reflects the agreement reached between the Parliament and the Council to reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60% of the total estimated cost of proposed measures, to increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses.

Lastly, it recalled that in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should be compatible with the shift towards a resource-efficient and sustainable economy.