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

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The Committee on Budgets adopted the report by Monika VANA (Greens/EFA, AT) 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 6 444 000** in commitment and payment appropriations in order to assist Greece following redundancies in its retail sector.

Members 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/2014/013 EL/Odyssefs Fokas on 29 July 2014 following the dismissal of 551 workers in Odyssefs Fokas S.A., an enterprise which operated in the economic sector classified under NACE Rev. 2 division 47 ('Retail trade, except of motor vehicles and motorcycles'). Members noted that the Greek authorities submitted the application under the intervention criterion of point (a) of Article 4(1) of the EGF Regulation, which requires at least 500 workers being made redundant or self-employed persons' activity ceasing, over a reference period of four months in an enterprise in a Member State, including workers made redundant or self-employed persons' activity ceasing in its suppliers and downstream producers.

Members 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 20 October 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Members noted that the redundancies were mainly due to the decrease of available household income due to the increase in the tax burden, decreasing salaries and rising unemployment resulting in a huge drop of purchasing power and the drastic reduction of loans to enterprises and individuals due to the lack of cash in the Greek banks.

They noted that these redundancies will further aggravate the unemployment situation in a country where during the period 2008-2013 the number of unemployed people increased four-fold and which presents the highest unemployment rates amongst Member States and the **fifth highest worldwide**. Members are especially concerned about the regions of Attica and Central Macedonia, which concentrate 90% of the redundancies and which already present unemployment rates above the national average of 27.5%.

NEET: Members welcomed the fact that the Greek authorities will provide personalised services cofinanced by the EGF for up to 500 young people not in employment, education or training (NEETs) under the age of 30 on the date of submission of the application. They called on the

They called on the Parliament to support the social criteria applied by the Greek authorities to identify the NEETs to be targeted by EGF measures and on the Greek authorities to provide detailed information on the funded actions and outcomes in view of sharing best practices, especially with regard to the selection and support provided to NEETs.

A coordinated package of personalised services: Members noted that the Greek authorities have indicated that the co-ordinated package of personalised services has been drawn up in consultation with the representatives of the targeted beneficiaries and the Federation of private employees in Greece.

They noted that the personalised services which are to be provided have been designed to take into account the specific needs of NEETs and consist of occupational guidance, training, retraining and vocational training as well as a contribution to business start-up.

They also noted that most of the requested funds are to support contribution to business start-ups (EUR 3 000 000) and training measures (EUR 2 960 000).

New EGF: Members welcomed the adoption of the new EGF 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, they called on the European Social Fund (ESF) measures planned within the new ESF programming period to complement the EGF plan and to facilitate the worker's reintegration in future-oriented and sustainable economic sectors.