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

2014/2183(BUD) - 16/12/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 610 votes to 77, with 13 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 6 444 000** in commitment and payment appropriations in order to assist Greece following redundancies in its 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/2014/013 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').

Parliament welcomed the fact that the Greek authorities take into consideration the great benefits of this budgetary instrument and have already made use of it several times as a means to tackle negative effects of the financial and economic crisis.

It 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.

**Nature of the redundancies**: Parliament 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.

It 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%.

**Dismissed workers**: the resolution noted that in addition to the 551 redundancies within the reference period, 49 workers dismissed before the reference period of four months are also included in the number of eligible beneficiaries, which amounts in total to 600 persons. It noted that 89.17% of the redundant workers eligible for EGF support are women.

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. The Greek authorities are called upon to provide detailed

information on the funded actions and outcomes in view of sharing best practices, especially with regard to the selection of and support provided to NEETs.

**Coordinated package of personalised services**: Parliament 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.

It 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. It 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).

Lastly, Parliament 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.