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

2015/2032(BUD) - 03/02/2015 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Greece following redundancies in its publishing activities sector.

PROPOSED ACT: Decision of the European Parliament and of the Council.

CONTENT: Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 provides that the EGF shall not exceed a maximum annual amount of **EUR 150 million** (2011 prices) over and above the relevant headings of the financial framework.

The rules applicable to financial contributions from the European Globalisation Adjustment Fund (EGF) are laid down in Regulation (EU) No 1309/2013 of the European Parliament and of the Council on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 (the 'EGF Regulation').

In this context, the Commission examined the application for mobilisation of the EGF to assist Greece and concluded the following:

**Greece: EGF/2014/015 GR/Attica – Publishing Activities**: the Greek authorities submitted application EGF/2014/015 GR/Attica Publishing activities for a financial contribution from the EGF, following redundancies in 46 enterprises operating in the region of Attica in Greece.

The Greek authorities submitted the application within **12 weeks** of the date on which the intervention criteria set out below were met. The deadline expired on 5 February 2015.

In order to establish the link between the redundancies and the global financial and economic crisis, Greece argues that the Greek economy is for the sixth consecutive year (2008-2013) in deep recession. Since 2008 the Greek GDP has decreased by 25.7%; public consumption by 21% and private consumption by 32.3% whilst unemployment increased by 20.6%.

In order to deal with foreign debt repayments, in 2008 the Greek government took unpopular measures such as increasing tax revenues, streamlining public expenditure and decreasing public workers' salaries. Wages in the private sector have also been decreasing in an attempt to boost the competitiveness of the Greek economy. Since 2008, thousands of enterprises have stopped their activities and closed down, making their staff redundant and thousands of self-employed persons have ceased their activities, contributing to the sharp increase in unemployment.

An immediate effect of the reduced income has been a decrease in private consumption - especially of non-essential goods.

According to the data on household income and living conditions, 23% of Greeks were below the poverty threshold in 2012. Moreover, three out of four workers or employees stated that their income level had declined in 2014 compared with the previous year due to salary cuts. Moreover, 38% of respondents

believed that their salaries would be cut again in the next quarter. A majority of respondents had reduced their expenses accordingly, in particular the budget for nonessential items such as magazines and newspapers.

To date, the publishing activities sector has been the subject of one more EGF application also based on the global financial and economic crisis.

The application relates to 705 workers made redundant in 46 enterprises operating in the NACE Rev. 2 division 58 (Publishing activities) in the NUTS level 2 region of Attica (EL 30).

**Basis of the Greek application**: the Greek authorities submitted the application under the intervention criterion of Article 4(1)(b) of the EGF Regulation, which requires at least 500 redundancies over a reference period of nine months in enterprises operating in the same economic sector defined at NACE Rev. 2 division level and located in one region or two contiguous regions defined at NUTS 2 level in a Member State.

The reference period of nine months runs from 12 September 2013 to 12 June 2014.

The Commission therefore proposes to mobilise the EGF for the amount of **EUR 3 746 700**.

FINANCIAL IMPLICATIONS: having examined the application in respect of the conditions set out in Article 13(1) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed actions and the estimated costs, the Commission proposes to mobilise the EGF for the amount of EUR 3 746 700, representing 60% of the total costs of the proposed actions, in order to provide a financial contribution for the application.

The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council, as laid down in point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management.

At the same time as it presents this proposal for a decision to mobilise the EGF, the Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the amount requested.

At the same time as it adopts this proposal for a decision to mobilise the EGF, the Commission will adopt a decision on a financial contribution, by means of an implementing act, which will enter into force on the date at which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.