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 Liadh NÍ RIADA (GUE/NGL, IE) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 6 468 000** in commitment and payment appropriations to assist Greece in respect of redundancies in the 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 or of the global financial and economic crisis and to assist their reintegration into the labour market.

Greek application: Greece submitted application EGF/2015/011 GR/Supermarket Larissa for a financial contribution from the EGF, following dismissals in the economic sector classified under the NACE Revision 2 Division 47 (retail trade, except of motor vehicles and motorcycles) in the NUTS level 2 regions of Central Macedonia ( ) and Thessalia (). Members noted that 557 dismissed workers, as well as 543 young people not in employment, education or training (NEETs) under the age of 30 from the same regions are expected to participate in the measures.

They recalled that the workers were dismissed following the bankruptcy and closure of Supermarket Larissa ABEE.

The application was submitted under the intervention criteria of point (a) of Article 4(1) of the EGF Regulation, which requires at least 500 workers being dismissed over a reference period of four months in an enterprise in a Member State, including workers dismissed by suppliers and downstream producers and / or self-employed persons whose activity has ceased.

Therefore, Greece is entitled to a financial contribution.

Nature of the redundancies: Members noted that, as a consequence of the deep recession of the Greek economy followed by a decline of household consumption and purchasing power, the volumes of retail trade of food, beverages and tobacco were more than 30 % lower in 2015 than the early-crisis volumes of 2008. They noted that the sales of Supermarket Larissa followed the same downwards trend.

Members also noted that Supermarket Larissa, a cooperative of small grocery stores founded in 1986, with 42 shops and 600 workers, could not overcome its losses and had to close its shops during the second quarter of 2014. They pointed out that this was not prevented by the austerity measures, in particular wage cuts (-30 %), the renegotiation of leases and the putting off of the maturity date of bills. This situation is also due to the drastic reduction in loans to enterprises, in a context where quantitative easing by the ECB failed to kickstart loans.

A package of personalised services: Members welcomed the fact that the Greek authorities started providing the personalised services to the affected workers on 26 February 2016, ahead of the decision on the granting the EGF support for the proposed coordinated package.

They noted that the measures planned by Greece for the dismissed workers and for the NEETs comprise the following categories:

- occupational guidance;
- training, retraining and vocational training;
- contribution to business start-up;
- participation allowance and training allowance;
- mobility allowance.

The income-support 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 those actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities. They noted the rather high amount (EUR 15 000) to be received, as part of personalised services, by the workers or NEETs who will set up their own business.

Members recalled that in line with the EGF Regulation, the design of the coordinated package of personalised services should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

They recalled the need to improve the employability of all workers by means of adapted training and expects that the training offered in the coordinated package will meet both needs of the workers and the business environment. They called on the Commission to provide more details in future proposals on the sectors having prospects to grow, and therefore to hire people.

They noted that the Greek authorities confirm that the eligible actions do not receive assistance from other Union financial instruments.

Lastly, Members recalled their appeal to the Commission to assure public access to all the documents related to EGF cases.