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

2017/2014(BUD) - 10/02/2017 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted a report by Nedzhmi ALI (ADLE, RO) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund to provide the amount of EUR 1 818 750 in commitment and payment appropriations to assist the Netherlands faced with redundancies in its retail sector.

Members recalled that the Union has 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.

Application from the Netherlands: the Netherlands submitted application EGF/2016/005 NL/Drenthe Overijssel Retail for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 47 (Retail trade, except of motor vehicles and motorcycles) mainly in the NUTS level 2 regions of Drenthe (NL13) and Overijssel (NL21). 800 out of 1 096 redundant workers eligible for the EGF contribution are expected to participate in the measures.

Members stated that the application was submitted under the intervention criteria of point (b) of Article 4 (1) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of nine months in an enterprise operating in the same economic sector defined at NACE Revision 2 Division and located in two contiguous regions defined at NUTS 2 level in a Member State.

Nature of the redundancies: Members stated that many redundancies were noted in the Dutch retail sector in the past few months with the main department stores of the sector suffering from bankruptcies, which triggered a total number of 27 0522 redundancies in the period 2011-2015. They noted with regret that the volume of goods sold in the retail sector followed this pattern moving from -2 % in 2011 to -4 % in 2013.

Members emphasised that the retail sector accounts for a considerable share of employment (17-19 %) in the NUTS 2 level regions Drenthe and Overijssel. They noted that **5 200 retail shops have gone bankrupt** since the start of the crisis with the largest department stores being affected only recently. In this regard, they regretted that younger workers are the most affected with 67.1 % of the targeted beneficiaries being below 30 years old.

A package of personalised services: Members noted that the application does not include any allowances or incentives referred to in point (b) of Article 7(1) of the EGF Regulation.

They noted that the EGF co-funded personalised services for the redundant workers include:

- assessments of participants' capabilities, potentials and job perspectives;
- job search assistance and case management;
- a flexible "mobility pool" for job seekers and employers with temporary jobs;
- outplacement assistance;
- training and retraining including entrepreneurship promotion training, coaching and grants.

Members noted that the Dutch authorities have provided assurances that the proposed actions will not receive financial support from other Union funds or financial instruments, that any double financing will be prevented, that they will be complementary with actions funded by the Structural Funds and that the requirements in national and Union legislation concerning collective redundancies will be complied with.

Members recalled the importance of improving the employability of all workers by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career.

Lastly, they reiterated that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements nor of measures for restructuring companies or sectors.