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

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The Committee on Budgets adopted the report by Marie-Pierre VIEU (GUE/NGL, FR) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, amounting to EUR 2 949 150 in commitment and payment appropriations to assist Greece facing redundancies in the retail sector.

The European Globalisation Adjustment Fund (EGF) provides support to workers made redundant as a result of major structural changes in international trade as a result of globalisation or the global economic and financial crisis. It has a maximum annual budget of EUR 150 million for the period 2014-2020.

Greek application: Greece submitted its application for a financial contribution from the EGF under the intervention criteria set out in Article 4(2) of the EGF Regulation following 725 redundancies in nine enterprises operating in the retail-trade sector in the region of Attica and 10 other regions.

Members agreed that the conditions set out in the EGF Regulation were met and that Greece is entitled to a financial contribution of **EUR 2 949 150**, which represents 60 % of the total cost of EUR 4 915 250.

Reasons for the redundancies: the economic crisis has put significant downward pressure on Greek households' purchasing power since 2008. The drastic reduction in lending to businesses and individuals has had an impact on retailers.

The austerity measures applied since 2008, in particular pay cuts, renegotiation of leases and deferring due dates for bills, have caused the situation to deteriorate.

The redundancies are directly linked to the decline in the sector since 2008. 164 000 jobs were lost between 2008 and 2015 in the retail trade, manufacturing and construction sectors, which account for 64.2 % of total job losses. The committee is concerned that such lay-offs may compound still further the unemployment situation that the regions in question have been facing since the onset of the economic and financial crisis.

Package of personalised services: Greece is planning five types of measures to be provided to redundant workers and for which EGF co-funding is being requested:

- occupational guidance;
- training, retraining and vocational training;
- help with business start-ups;
- job search allowances and training allowances;
- job creation subsidies.

The income support measures will be 34.72% of the overall package of personalised measures, just below the maximum 35% set out in the Regulation.

Lastly, Members reiterated that EGF assistance must not take the place of actions which are the responsibility of enterprises, under national law or collective agreements, or of measures for restructuring enterprises or sectors.