

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

2017/2231(BUD) - 30/11/2017 - Budgetary text adopted by Parliament

The European Parliament adopted by 555 votes to 77, with 12 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 (EGF) following a request from Finland - EGF/2017/005 FI/Retail.

Parliament **approved the proposal for a decision** annexed to the resolution.

According to the Decision, **EUR 2 499 360 in commitment and payment appropriations shall be mobilised for Finland** under the European Globalisation Adjustment Fund within the framework of the general budget of the Union for the financial year 2017, following redundancies in the retail sector in the Finnish regions of Länsi-Suomi, Helsinki-Uusimaa, Etelä-Suomi and Pohjois- ja Itä-Suomi.

In its resolution, the Parliament recalled that the dismissals occurred at two major Finnish department store chains and one subsidiary, which since 2015 have all experienced serious issues of declining profitability and deteriorating cash-flow due to the rise of e-commerce, changing shopping habits and weak consumer confidence. Members regretted that in early 2017 two of the companies concerned had to close down completely.

Members noted that Finland is planning **seven types of measures** to be provided to redundant workers and for which EGF co-funding is requested: (i) coaching measures and other preparatory measures; (ii) employment and other business measures; (iii) training courses; (iv) start-up grants; (v) career coaching pilots; (vi) pay subsidies; (vii) allowances for travel and accommodation.

The income support measures will constitute **22.05 %** of the overall package of personalised measures, well below the maximum 35 % set out in the EGF Regulation. **1 500 redundant workers** are expected to participate in the measures.

Aware that a major change in the nature of retail jobs has occurred, with part-time jobs requiring new skills, such as IT, forecasting, data analysis, communication, customer knowledge and logistical skills, on the rise, Parliament regretted that 43 % of Finnish retail staff, who are over 45 years old, lack such skills. It awaits with interest an evaluation of the career coaching pilots that have been included for those over 50 years old, in particular women.

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

Lastly, it called on the Commission to urge national authorities to provide more details, in future proposals, on the sectors which have growth prospects and are therefore likely to hire people, as well as to gather substantiated data on the impact of the EGF funding.