Mobilisation of the European Globalisation Adjustment Fund: redundancies in the tourism sector in Estonia

2021/0076(BUD) - 18/05/2021 - Budgetary text adopted by Parliament

The European Parliament adopted by 659 votes to 30, with 7 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, following an application by Estonia (EGF/2020/002 EE/Estonia Tourism).

Parliament approved the proposal to mobilise the EGF to provide a financial contribution of **EUR 4 474 480** in commitment and payment appropriations from the EU budget for the financial year 2021 to assist Estonia facing redundancies in the tourism sector

This contribution represents 60% of the total cost of EUR 7 457 468, corresponding to expenditure on personalised services up to EUR 7 452 468 and expenditure on preparatory, management, information and publicity, monitoring and reporting activities up to EUR 5 000.

The resolution recalls that the COVID-19 pandemic and the resulting global economic crisis have caused a considerable shock to the Estonian economy, in particular the tourism sector, where, before the crisis, 90% of tourist expenditure in Estonia came from international tourism, while the average for OECD countries was around 25%.

The application covers a total of **10 080 workers**, 1 715 self-employed workers who have been made redundant and 8 365 workers made redundant in the Estonian tourism sector. **The social impact of the redundancies is expected to be considerable**, as the tourism sector includes a large share of low-skilled workers, workers without professional qualifications, young people and seasonal or part-time workers. Over 60% of those eligible are women, with the most affected age group being 30-64.

Members deplored the fact that Estonia foresees that only **5 060 eligible beneficiaries** will participate in the measures.

Parliament welcomed the fact that the coordinated package of **personalised services** had been drawn up by Estonia in consultation with the competent authorities and representatives of the associations and that the progress of the measures would be discussed in the supervisory board of the Estonian Unemployment Insurance Fund (EUIF), which involves the social partners.

Further consultations with representatives of the tourism sector will be carried out to define the most appropriate type of support, taking into account the age structure, educational profile and other characteristics of the beneficiaries. In addition, possible input from the Estonian Hotel and Restaurant Association is foreseen for the design of some of the sectoral training measures.

The Commission is invited to keep the duration of the examination of applications for EGF assistance and mobilisation of the EGF to a minimum in order to reduce the pressure on national social security systems in the context of the COVID-19 crisis.