Basic information

2014/2183(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail sector in Greece **Subject** 3.40.17 Manufactured goods 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Greece	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	VANA Monika (Verts/ALE)	11/11/2014
	Shadow rapporteur FERNANDES José Manuel (PPE) GEIER Jens (S&D) JÄÄTTEENMÄKI Anneli (ALDE) NÍ RIADA Liadh (GUE/NGL) ZANNI Marco (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
REGI Regional Development	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	3360	2014-12-15

Commission DG	Commissioner

European Commission	Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
11/11/2014	Non-legislative basic document published	COM(2014)0702	Summary
24/11/2014	Committee referral announced in Parliament		
11/12/2014	Vote in committee		
11/12/2014	Budgetary report tabled for plenary	A8-0063/2014	Summary
15/12/2014	Draft budget approved by Council		
16/12/2014	Decision by Parliament	T8-0082/2014	Summary
16/12/2014	Results of vote in Parliament		
16/12/2014	End of procedure in Parliament		
14/01/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2183(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/01985

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE541.646	18/11/2014	
Amendments tabled in committee		PE544.280	05/12/2014	
Budgetary report tabled for plenary, 1st reading		A8-0063/2014	11/12/2014	Summary
Budgetary text adopted by Parliament		T8-0082/2014	16/12/2014	Summary

European Commission

Document type	Reference	Date	Summary
	COM(2014)0702		

Non-legislative basic document		11/11/2014	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2015/0043 OJ L 008 14.01.2015, p. 0016	Summary

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

2014/2183(BUD) - 16/12/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 610 votes to 77, with 13 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, to the amount of **EUR 6 444 000** in commitment and payment appropriations in order to assist Greece following redundancies in its retail sector.

Parliament 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 and to assist their reintegration into the labour market.

Greek application: Greece submitted application EGF/2014/013 EL/Odyssefs Fokas on 29 July 2014 following the dismissal of 551 workers in Odyssefs Fokas S.A., an enterprise which operated in the economic sector classified under NACE Rev. 2 division 47 ('Retail trade, except of motor vehicles and motorcycles').

Parliament welcomed the fact that the Greek authorities take into consideration the great benefits of this budgetary instrument and have already made use of it several times as a means to tackle negative effects of the financial and economic crisis.

It noted that the Greek authorities submitted the application under the intervention criterion of point (a) of Article 4(1) of the EGF Regulation, which requires at least 500 workers being made redundant or self-employed persons' activity ceasing, over a reference period of four months in an enterprise in a Member State, including workers made redundant or self-employed persons' activity ceasing in its suppliers and downstream producers.

Nature of the redundancies: Parliament noted that the redundancies were mainly due to the decrease of available household income — due to the increase in the tax burden, decreasing salaries and rising unemployment — resulting in a huge drop of purchasing power and the drastic reduction of loans to enterprises and individuals due to the lack of cash in the Greek banks.

It noted that these redundancies will further aggravate the unemployment situation in a country where during the period 2008-2013 the number of unemployed people increased four-fold and which presents the highest unemployment rates amongst Member States and the **fifth highest worldwide**. Members are especially concerned about the regions of Attica and Central Macedonia, which concentrate 90% of the redundancies and which already present unemployment rates above the national average of 27.5%.

Dismissed workers: the resolution noted that in addition to the 551 redundancies within the reference period, 49 workers dismissed before the reference period of four months are also included in the number of eligible beneficiaries, which amounts in total to 600 persons. It noted that 89.17% of the redundant workers eligible for EGF support are women.

Members welcomed the fact that the Greek authorities will provide personalised services cofinanced by the EGF for up to 500 young people not in employment, education or training (NEETs) under the age of 30 on the date of submission of the application. The Greek authorities are called upon to provide detailed information on the funded actions and outcomes in view of sharing best practices, especially with regard to the selection of and support provided to NEETs.

Coordinated package of personalised services: Parliament noted that the Greek authorities have indicated that the co-ordinated package of personalised services has been drawn up in consultation with the representatives of the targeted beneficiaries and the Federation of private employees in Greece.

It noted that the personalised services which are to be provided have been designed to take into account the specific needs of NEETs and consist of occupational guidance, training, retraining and vocational training as well as a contribution to business start-up. It also noted that most of the requested funds are to support contribution to business start-ups (EUR 3 000 000) and training measures (EUR 2 960 000).

Lastly, Parliament called on the European Social Fund (ESF) measures planned within the new ESF programming period to complement the EGF plan and to facilitate the worker's reintegration in future-oriented and sustainable economic sectors.

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

2014/2183(BUD) - 11/12/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Monika VANA (Greens/EFA, AT) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, to the amount of **EUR 6 444 000** in commitment and payment appropriations in order to assist Greece following redundancies in its 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 and to assist their reintegration into the labour market.

Greek application: Greece submitted application EGF/2014/013 EL/Odyssefs Fokas on 29 July 2014 following the dismissal of 551 workers in Odyssefs Fokas S.A., an enterprise which operated in the economic sector classified under NACE Rev. 2 division 47 ('Retail trade, except of motor vehicles and motorcycles'). Members noted that the Greek authorities submitted the application under the intervention criterion of point (a) of Article 4 (1) of the EGF Regulation, which requires at least 500 workers being made redundant or self-employed persons' activity ceasing, over a reference period of four months in an enterprise in a Member State, including workers made redundant or self-employed persons' activity ceasing in its suppliers and downstream producers.

Members welcomed the fact that, in order to provide workers with speedy assistance, the Greek authorities decided to initiate the implementation of the personalised services to the affected workers on 20 October 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Members noted that the redundancies were mainly due to the decrease of available household income — due to the increase in the tax burden, decreasing salaries and rising unemployment — resulting in a huge drop of purchasing power and the drastic reduction of loans to enterprises and individuals due to the lack of cash in the Greek banks.

They noted that these redundancies will further aggravate the unemployment situation in a country where during the period 2008-2013 the number of unemployed people increased four-fold and which presents the highest unemployment rates amongst Member States and the **fifth highest worldwide**. Members are especially concerned about the regions of Attica and Central Macedonia, which concentrate 90% of the redundancies and which already present unemployment rates above the national average of 27.5%.

NEET: Members welcomed the fact that the Greek authorities will provide personalised services cofinanced by the EGF for up to 500 young people not in employment, education or training (NEETs) under the age of 30 on the date of submission of the application. They called on the

They called on the Parliament to support the social criteria applied by the Greek authorities to identify the NEETs to be targeted by EGF measures and on the Greek authorities to provide detailed information on the funded actions and outcomes in view of sharing best practices, especially with regard to the selection and support provided to NEETs.

A coordinated package of personalised services: Members noted that the Greek authorities have indicated that the co-ordinated package of personalised services has been drawn up in consultation with the representatives of the targeted beneficiaries and the Federation of private employees in Greece.

They noted that the personalised services which are to be provided have been designed to take into account the specific needs of NEETs and consist of occupational guidance, training, retraining and vocational training as well as a contribution to business start-up.

They also noted that most of the requested funds are to support contribution to business start-ups (EUR 3 000 000) and training measures (EUR 2 960 000).

New EGF: Members welcomed the adoption of the new EGF which reflects the agreement reached between the Parliament and the Council to reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60% of the total estimated cost of proposed measures, to increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses.

Lastly, they called on the European Social Fund (ESF) measures planned within the new ESF programming period to complement the EGF plan and to facilitate the worker's reintegration in future-oriented and sustainable economic sectors.

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

2014/2183(BUD) - 11/11/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Greece following redundancies in its retail sector.

PROPOSED ACT: Decision of the European Parliament and of the Council.

CONTENT: Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 provides that the EGF shall not exceed a maximum annual amount of **EUR 150 million** (2011 prices) over and above the relevant headings of the financial framework.

The rules applicable to financial contributions from the European Globalisation Adjustment Fund (EGF) are laid down in Regulation (EU) No 1309/2013 of the European Parliament and of the Council on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 (the 'EGF Regulation').

The Commission examined the application for mobilisation of the EGF to assist Greece and concluded the following:

Greece: EGF/2014/013 EL/Odyssefs Fokas: the Greek authorities submitted application EGF/2014/013 EL/Odyssefs Fokas for a financial contribution from the EGF, following redundancies in Odyssefs Fokas S.A. in Greece This authorities submitted their application within deadline of 12 weeks as set out in the Regulation, which expires on 16 December 2014.

In order to establish the link between the redundancies and the global financial and economic crisis addressed in Regulation (EC) No 546/2009, Greece argues that the Greek economy is for the sixth consecutive year (2008-2013) in deep recession. According to ELSTAT, the Greek Statistical Authority, since 2008 the Greek GDP has decreased by 25.7%, public consumption by 21% and private consumption by 32.3% whilst unemployment increased by 20.6%.

Moreover, the decline in GDP has widened the gap between the Greek per capita GDP and the per capita GDP of the EU, cancelling the progress towards economic convergence made by Greece in the 1995-2007 period.

Since 2008, thousands of enterprises have stopped their activities and closed down, making their staff redundant and thousands of self-employed persons have ceased their activities, contributing to the sharp increase of unemployment. An immediate effect of the reduced income has been a decrease in consumption.

According to the ELSTAT report on household income and living conditions, 23% of Greeks were below the poverty threshold in 2012. A majority of respondents have reduced their expenses accordingly, in particular the budget for non-essential items such as clothing and footwear.

To date, the retail sector has been the subject of another three EGF applications also based on the global financial and economic crisis.

The application relates to 600 workers made redundant in Odyssefs Fokas S.A., an enterprise which operated in the economic sector classified under NACE Rev. 2 division 47 ('Retail trade, except of motor vehicles and motorcycles'). The redundancies are mainly located in the NUTS level 2 regions of Κεντρική Μακεδονία (Central Macedonia) (EL12), Αττική (Attica) (EL30) and Θεσσαλία (Thessaly) (EL14).

The Greek authorities submitted the application under the intervention criteria of Article 4(1)(a) of the EGF Regulation, which requires at least 500 workers being made redundant or self-employed persons' activity ceasing, over a reference period of four months in an enterprise in a Member State, including workers made redundant and self-employed persons' activity ceasing in its suppliers and downstream producers.

The application relates to 551 workers made redundant in Odyssefs Fokas during the reference period of four months running from 3 February 2014 to 3 June 2014.

Following its assessment of this application, the Commission has concluded, in accordance with all applicable provisions of the EGF Regulation, that the conditions for awarding a financial contribution from the EGF are met.

On the basis of the application from Greece, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 6 444 000.**

FINANCIAL IMPLICATION: having examined the application in respect of the conditions set out in Article 13(1) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed actions and the estimated costs, the Commission proposes to mobilise the EGF for the amount of EUR 6 444 000, representing 60 % of the total costs of the proposed actions, in order to provide a financial contribution for the application.

The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council, as laid down in point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management.

At the same time as it presents this proposal for a decision to mobilise the EGF, the Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the requested amount.

At the same time as it adopts this proposal for a decision to mobilise the EGF, the Commission will adopt a decision on a financial contribution, by means of an implementing act, which will enter into force on the date at which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.

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

2014/2183(BUD) - 17/12/2014 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Greece following redundancies in its retail sector.

NON-LEGISLATIVE ACT: Decision (EU) 2015/43 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, in accordance with point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (application EGF/2014/013 EL /Odyssefs Fokas, from Greece).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the sum of **EUR 6 444 000** in commitment and payment appropriations from European Globalisation Adjustment Fund within the framework of the general budget of the European Union for the financial year 2014.

This amount shall assist Greece in respect of redundancies in Odyssefs Fokas SA in Greece.

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EU) No 1309/2013 (EGF Regulation 2014-2020), the European Parliament and Council have decided to grant the abovementioned amount. Greece has decided to provide personalised services co-financed by the EGF also to young persons not in employment, education or training (NEETs).

To recall, the European Globalisation Adjustment Fund was established to provide support for workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, as a result of a continuation of the global financial and economic crisis addressed in Regulation (EC) No 546/2009 of the European Parliament and of the Council, or as a result of a new global financial and economic crisis and to assist them with their reintegration into the labour market.

Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 provides that the EGF shall not exceed a maximum annual amount of **EUR 150 million**.