Basic information

2017/2229(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail trade sector in Greece **Subject** 3.40.17 Manufactured goods 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.57 2017 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	VIEU Marie-Pierre (GUE/NGL)	24/10/2017

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
Competitiveness (Internal Market, Industry, Research and Space)	3580	2017-11-30

European Commission

Commission DG	Commissioner
Employment, Social Affairs and Inclusion	THYSSEN Marianne

Key events

Date	Event	Reference	Summary
23/10/2017	Non-legislative basic document published	COM(2017)0613	Summary
26/10/2017	Committee referral announced in Parliament		
22/11/2017	Vote in committee		

23/11/2017	Budgetary report tabled for plenary	A8-0367/2017	Summary
30/11/2017	Decision by Parliament	T8-0456/2017	Summary
30/11/2017	Results of vote in Parliament		
30/11/2017	Draft budget approved by Council		
06/01/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2229(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/8/11353

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE612.289	27/10/2017	
Amendments tabled in committee		PE613.394	10/11/2017	
Budgetary report tabled for plenary, 1st reading		A8-0367/2017	23/11/2017	Summary
Budgetary text adopted by Parliament		T8-0456/2017	30/11/2017	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0613	23/10/2017	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2018/0006
OJ L 003 06.01.2018, p. 0001 Summary

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

2017/2229(BUD) - 23/10/2017 - Non-legislative basic document

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

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

CONTENT: 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.

Greece: EGF application /2017/003 GR/Attica retail: on 13 April 2017, Greece submitted the application for a financial contribution from the EGF following redundancies in the retail trade sector (except motor vehicles and motorcycles), in the NUTS 2 region of Attica and in 10 other regions at the same level in Greece.

Greece submitted the application within **12 weeks** of the date on which the intervention criteria were met. The deadline of 12 weeks of the receipt of the complete application within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution expires on 8 November 2017.

In order to establish the link between the redundancies and the global financial and economic crisis, Greece argued that the Greek economy was in **deep recession since the beginning of the crisis in 2008**, the Greek real GDP has decreased by 26.2 % whilst unemployment increased about 14 %. The labour market is said to continue to experience difficulties in the near future as well.

Since 2008, the measures taken by the Greek government to cope with the repayment of external debt have resulted in a reduction in the incomes of public and private sector employees, which has resulted in a **decrease in consumption**, particularly non-essential goods.

According to the ELSTAT report on household income and living conditions, 21.2 % of Greeks were below the poverty threshold in 2016.

Due to the drop of purchasing power of Greek households as of 2008, demand for essential goods and durable consumer goods declined. This led to a significant **fall of retail sales** between 2008-2015 which ranged from 60 % for household appliances to 30 % for food retailers and 23 % for supermarkets. According to Infobank Hellastat SA, the fall in retail sales is expected to continue in the future.

The overall turnover index in the retail trade sector had a constant downward trend, decreasing by more than 63 % over the period 2008-2016, from 112.6 in 2008 to 71.1 in 2016.

According to the 2016 Annual Report of the Greek General Confederation of Workers (GSEE) Labour Institute, **164 000 jobs have been lost between 2008-2015** in the retail trade, manufacturing and construction sectors, which account for 64.2 % of total job losses.

The Greek authorities argue that the redundancies in the 11 regions concerned will further aggravate the unemployment situation. In 2016, Greece had the highest unemployment rates amongst EU Member states (23.6 % in 2016).

Basis of the application: Greece argued that this application should be assimilated to an application under Article 4(1)(b) of the EGF Regulation due to exceptional circumstances having a serious impact on employment and the local, regional or national economy.

The application relates to **725 workers**, of whom 56.3 % are men and 43.7 % are women, all of whom are likely to participate in the measures. Most of the redundancies are concentrated in the Attica region (70.7 %), the other 10 regions totalling 29.3 %.

BUDGETARY IMPLICATION: the estimated total costs are **EUR 4 915 250**, comprising expenditure for: (i) personalised services of EUR 4 720 250 and; (ii) expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 195 000.

The Commission proposes to **mobilise the EGF for the amount of EUR 2 949 150**, representing **60 %** of the total costs of the proposed actions, in order to provide a financial contribution for the application.

The expenditure on the actions will therefore be eligible for a financial contribution from the EGF from 13 July 2017 to 13 July 2019.

The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council, as laid down in 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 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 trade sector in Greece

2017/2229(BUD) - 12/12/2017 - Final act

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

NON-LEGISLATIVE ACT: Decision (EU) 2018/6 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund following an application from Greece — EGF/2017/003 GR/Attica retail.

CONTENT: with this Decision, the European Parliament and the Council mobilised **EUR 2 949 150 in commitment and payment appropriations** from the European Globalisation Adjustment Fund (EGF) under the 2017 budget.

This amount is granted in response to **Greece's request on 13 April 2017 for EGF mobilisation in connection with redundancies in nine enterprises operating in the retail sector** in the following regions of Greece: Attica, Eastern Macedonia, Thrace, Central Macedonia, Western Macedonia, Thessaly, Epirus, Western Greece, Central Greece, Peloponnese, Southern Aegean and Crete.

In accordance with Article 4(2) of Regulation (EU) No 1309/2013, the application from Greece is considered admissible since the redundancies have a serious impact on employment and the local, regional or national economy.

As a reminder, the EGF aims 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. The EGF is not to exceed a maximum annual amount of EUR 150 million for the period 2014-2020.

ENTRY INTO FORCE: 6.1.2018. In order to minimise delay for the mobilisation of the EGF, the decision applies from the date of its adoption, i.e. 12.12.2017.

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

2017/2229(BUD) - 30/11/2017 - Budgetary text adopted by Parliament

The European Parliament adopted by 555 votes to 71, with 11 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 a request from Greece - EGF/2017/003 GR/Attica retail.

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

According to the Decision, **EUR 2 949 150 in commitment and payment appropriations would be mobilised to assist Greece** under the European Globalisation Adjustment Fund within the framework of the general budget of the Union established for the financial year 2017, following 725 redundancies in nine enterprises operating in the retail-trade sector in the region of Attica and 10 other regions.

In its resolution, Parliament recalled that 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. Parliament 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.

Members noted that Greece is planning **five types of measures** to be provided to redundant workers and for which EGF co-funding is being requested: (i) occupational guidance; (ii) training, retraining and vocational training; (iii) help with business start-ups; (iv) job search allowances and training allowances; (v) 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.

Parliament welcomed Greece's decision to offer **vocational training courses to workers which correspond to their needs**, especially those of the elderly beneficiaries, and to current labour market requirements. It recalled that the design of the coordinated package of personalised services benefiting from the EGF should be geared, in terms of its design, to initiatives conducive to employment, to upskilling of workers and to making the most of their employment history so as to reach out to the business community, including cooperatives, and should be coordinated with existing Union programmes, including the European Social Fund.

Members are convinced that a **coherent strategy** would reduce the risk of relocation and create an environment conducive for industrial production to return to the Union. They also stressed the importance of a genuine industrial policy at Union level.

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

2017/2229(BUD) - 23/11/2017 - Budgetary report tabled for plenary, 1st reading

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.