

# **Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail trade sector in Belgium**

2019/2114(BUD) - 08/11/2019 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by José Manuel FERNANDES (EPP, PT) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for an amount of EUR 1 632 028 in commitment and payment appropriations to assist Belgium which is facing redundancies in the retail sector.

The European Globalisation Adjustment Fund (EGF) is intended to provide support to redundant workers and self-employed persons who have ceased to work due to major structural changes in world trade patterns as a result of globalisation, due to the persistence of the global financial and economic crisis, or due to a new global financial and economic crisis, and to help them reintegrate into the labour market.

## ***Basis for Belgium's application***

Belgium submitted the application for a financial contribution from the EGF, following 751 redundancies in Carrefour Belgique S.A. operating in the economic sector of the retail trade (excluding motor vehicles and motor cycles). In addition to the 751 employees made redundant during the reference period, eligible beneficiaries include 268 employees made redundant before or after the reference period. The total number of eligible beneficiaries is therefore 1019. This case involves a particularly vulnerable age group, in which more than 81% of workers are between 55 and 64 years old.

Since the redundancies are expected to have a significant negative impact on the regional economy of Wallonia, in particular, Members agree with the Commission that the conditions laid down in Article 4(1) of the EGF Regulation are met and that Belgium is entitled, under this Regulation, to a financial contribution of EUR 1 632 028 under that Regulation, which represents 60 % of the total cost of EUR 2 720 047.

## ***Reasons for the redundancies***

Members acknowledged that retail trade is going through a period of major change, due to globalisation (e-commerce, online shopping), resulting in redundancies and that changing patterns in consumers' habits and digitalisation also have an impact on retail trade. The redundancies in Carrefour Belgique SA do not directly concern the food industry, but mostly pertain to the e-commerce of goods such as books and electronic devices. These kind of redundancies may further increase in the future due to digitalisation, which should be considered during the discussions on the future EGF in the next multiannual financial framework for the years 2021 to 2027.

## ***Package of personalised services***

Members noted that Belgium is planning five types of actions for the redundant workers covered by this application: (i) support/guidance/integration, (ii) training, retraining and vocational training, (iii) support towards business creation, (iv) contribution to business start-up, (v) allowances.

The report also stressed that young people not in employment, education or training (NEETs) will be particularly trained for job search and application, and will be better informed on labour law, social rights

and support in administrative procedures. Moreover, a monthly allowance of EUR 350 will be granted to workers and NEETs who undertake full-time studies of at least one year.

Lastly, Members recalled that the design of the coordinated package of personalised services should also anticipate emerging labour market developments, with a special focus on the shift towards a source-efficient and sustainable economy.