



Plenary sitting

A9-0021/2019

8.11.2019

REPORT

on the proposal for a decision of the European Parliament and of the Council
on the mobilisation of the European Globalisation Adjustment Fund
(application from Belgium – EGF/2019/001 BE/Carrefour)
(COM(2019)0442 – C9-0127/2019 – 2019/2114(BUD))

Committee on Budgets

Rapporteur: José Manuel Fernandes

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (application from Belgium – EGF/2019/001 BE/Carrefour)
(COM(2019)0442 – C9-0127/2019 – 2019/2114(BUD))**

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2019)0442 – C9-0127/2019),
 - having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006¹ (EGF Regulation),
 - having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020², and in particular Article 12 thereof,
 - having regard to 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 management³ (IIA of 2 December 2013), and in particular point 13 thereof,
 - having regard to the trilogue procedure provided for in point 13 of the IIA of 2 December 2013,
 - having regard to the letter of the Committee on Employment and Social Affairs,
 - having regard to the report of the Committee on Budgets (A9-0021/2019),
- A. whereas the Union has 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 or of the global financial and economic crisis, and to assist their reintegration into the labour market; whereas this assistance is made through a financial support given to workers and the companies for which they worked;
- B. whereas the Union's financial assistance to workers made redundant should be dynamic and made available as quickly and efficiently as possible; whereas this case involves a particularly vulnerable age group, in which more than 81% of workers are between 55 and 64 years old;
- C. whereas Belgium submitted application EGF/2019/001 BE/Carrefour for a financial contribution from the EGF, following 751 redundancies during the reference period in the economic sector classified under the NACE Revision 2 Division 47 (Retail trade,

¹ OJ L 347, 20.12.2013, p. 855.

² OJ L 347, 20.12.2013, p. 884.

³ OJ C 373, 20.12.2013, p. 1.

except motor vehicles and motorcycles), between 30 November 2018 and 30 March 2019; whereas an additional 268 workers were made redundant before or after the reference period; whereas, according to Commission, a clear causal link can be established with the event that triggered the redundancies during the reference period; whereas no other funds or programmes were deployed in relation to the facts described in the application submitted by Belgium;

- D. whereas the application is based on the intervention criteria of point (a) of Article 4(1) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of four months in an enterprise in a Member State, including workers made redundant by suppliers and downstream producers and / or self-employed persons whose activity has ceased;
- E. whereas in accordance with Article 6(2) of Regulation (EU) No 1309/2013, Belgium has decided to also provide personalised services, co-financed by the EGF, to 330 young persons who are not in employment, education or training (NEETs);
1. Agrees with the Commission that the conditions set out in Article 4(1) of the EGF Regulation are met and that Belgium is entitled to a financial contribution of EUR 1 632 028 under that Regulation, which represents 60 % of the total cost of EUR 2 720 047, comprising expenditure for personalised services of EUR 2 665 047 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 55 000;
 2. Notes that the Belgian authorities submitted the application on 20 June 2019, and that, following the provision of additional information by Belgium, the Commission finalised its assessment on 4 October 2019 and notified it to Parliament on the same day;
 3. Notes that Belgium started providing personalised services to the targeted beneficiaries on 1 December 2018 and that the period of eligibility for a financial contribution from the EGF will therefore be from 1 December 2018 to 20 June 2021;
 4. Notes that Belgium started incurring administrative expenditure to implement the EGF on 25 January 2018 and that expenditure on preparatory, management, information and publicity, control and reporting activities between 25 January 2018 and 20 December 2021 will therefore be eligible for a financial contribution from the EGF;
 5. Recalls 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;
 6. Recalls that this is the 14th EGF application from Belgium, and that those applications have covered a variety of sectors: automotive, manufacture of basic metals, textiles, machinery and equipment, glass and, with this case, the retail sector is covered in Belgium for the first time; recalls that this is the 10th EGF application so far to cover the retail sector;
 7. Acknowledges 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; underlines

that 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; notes that 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;

8. Believes that globalisation represents a challenge for the Union; considers, moreover, that tackling youth and other unemployment involves the creation of opportunities of re-skilling and up-skilling in the European companies; expects that Carrefour Belgique SA will ensure the necessary high-quality social dialogue with its workers during this process;
9. Notes that the application relates in total to 1 019 workers made redundant in Carrefour Belgique SA, and that the redundancies concern the whole of Belgium; notes furthermore that Belgium expects that only 400 out of the total eligible beneficiaries will participate in the measures (targeted beneficiaries), namely workers made redundant in Wallonia as those redundancies have a particularly significant adverse impact on the employment situation and thus on the regional economy of Wallonia due to scarcity of jobs in the region, the relatively high unemployment rate and, as a consequence, the expected difficulties of redeployment for the redundant workers, in particular those aged 50+; recalls, in that regard, that the unemployment rate of 8,6% in Wallonia is considerably higher than the average unemployment rate of 6,9% in the Union, being more than twice as high as the unemployment rate of 3,5% in region of Flanders;
10. Notes furthermore that Belgium proposes personalised services co-financed by the EGF to up to 330 young people not in employment, education or training (NEETs) under the age of 25 on the date of submission of the application, given that 240 of the redundancies referred to in paragraph 5 occur in the NUTS level 2 regions of Province Hainaut and Province Liège, that had youth unemployment rates for young persons aged 15 to 24 of at least 20%, based on the annual data available for 2018;
11. Notes 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; underlines that, in this case, the relevance of support, guidance and integration, as well as training, retraining and vocational training is evidenced by the number of estimated participants (730 estimated participants in the first action, 460 in the second);
12. Underlines that 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;
13. Welcomes that the co-ordinated package of personalised services was drawn up by Belgium in consultation with the social partners, in particular with trade unions, vocational counsellors and social workers, in order to reconsider various redeployment solutions adapted to the needs of the redundant workers;
14. Stresses that the Belgian authorities have confirmed that the eligible actions do not

receive assistance from other Union funds or financial instruments;

15. Reiterates that assistance from the EGF must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements, or measures for restructuring companies or sectors;
16. Approves the decision annexed to this resolution;
17. Instructs its President to sign the decision with the President of the Council and arrange for its publication in the *Official Journal of the European Union*;
18. Instructs its President to forward this resolution, including its Annex, to the Council and the Commission.

ANNEX: DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund following an application from Belgium – EGF/2019/001 BE/Carrefour

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006¹, and in particular Article 15(4) thereof,

Having regard to 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 management², and in particular point 13 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The European Globalisation Adjustment Fund (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, or as a result of a new global financial and economic crisis, and to assist them with their reintegration into the labour market.
- (2) The EGF is not to exceed a maximum annual amount of EUR 150 million (2011 prices), as laid down in Article 12 of Council Regulation (EU, Euratom) No 1311/2013³.
- (3) On 20 June 2019, Belgium submitted an application to mobilise the EGF, in respect of redundancies in Carrefour Belgique SA. It was supplemented by additional information provided in accordance with Article 8(3) of Regulation (EU) No 1309/2013. That application complies with the requirements for determining a financial contribution

¹ OJ L 347, 20.12.2013, p. 855.

² OJ C 373, 20.12.2013, p. 1.

³ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

from the EGF as laid down in Article 13 of Regulation (EU) No 1309/2013.

- (4) In accordance with Article 6(2) of Regulation (EU) No 1309/2013, Belgium has decided to provide personalised services co-financed by the EGF also to 330 young persons not in employment, education or training (NEETs).
- (5) The EGF should, therefore, be mobilised in order to provide a financial contribution of EUR 1 632 028 in respect of the application submitted by Belgium.
- (6) In order to minimise the time taken to mobilise the EGF, this decision should apply from the date of its adoption,

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the Union for the financial year 2019, the European Globalisation Adjustment Fund shall be mobilised to provide the amount of EUR 1 632 028 in commitment and payment appropriations.

Article 2

This Decision shall enter into force on the day of its publication in the *Official Journal of the European Union*. It shall apply from [*the date of its adoption*]*.

Done at,

For the European Parliament

The President

For the Council

The President

* Date to be inserted by the Parliament before the publication in OJ.

EXPLANATORY STATEMENT

I. Background

The European Globalisation Adjustment Fund has been created in order to provide additional assistance to workers suffering from the consequences of major structural changes in world trade patterns.

According to the provisions of Article 12 of Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020¹ and of Article 15 of Regulation (EU) No 1309/2013², the Fund may not exceed a maximum annual amount of EUR 150 million (2011 prices). The appropriate amounts are entered into the general budget of the Union as a provision.

As concerns the procedure, according to 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 management³, in order to activate the Fund the Commission, in case of a positive assessment of an application, presents to the budgetary authority a proposal for mobilisation of the Fund and, at the same time, a corresponding request for transfer. In the event of disagreement, a trilogue shall be initiated.

II. Belgium's application and the Commission's proposal

On 4 October 2019, the Commission adopted a proposal for a decision on the mobilisation of the EGF in favour of Belgium to support the reintegration in the labour market of workers made redundant by one enterprise operating in the economic sector classified under the NACE Revision 2 Division 47 (Retail trade, except motor vehicles and motorcycles).

This is the first application to be examined under the 2019 budget and the tenth in the retail sector since the establishment of the EGF. It concerns 1 019 workers made redundant and refers to the mobilisation of a total amount of EUR 1 632 028 from the EGF for Belgium.

Belgium argues that the redundancies are linked to major changes in retail trade patterns due to globalisation and in particular the rise on online shopping, resulting in redundancies. Changing patterns of consumers' habits and digitalisation also have an impact on retail trade.

The five types of actions to be provided to redundant workers and NEETs and for which EGF co-funding is requested consist of:

- a. Support/Guidance/Integration;
- b. Training, retraining and vocational training;

¹ OJ L 347, 20.12.2013, p. 884.

² OJ L 347, 20.12.2013, p. 855.

³ OJ C 373, 20.12.2013, p. 1.

- c. Support towards business creation;
- d. Contribution to business start-up;
- e. Allowances.

According to the Commission, the described measures constitute active labour market measures within the eligible actions set out in Article 7 of the EGF Regulation and do not substitute passive social protection measures.

Belgium provided the required information on actions that are mandatory for the enterprise concerned by virtue of national law or pursuant to collective agreements. They confirmed that a financial contribution from the EGF will not replace such actions.

Belgium has notified the Commission that the source of national pre-financing or co-funding are funds of the Région Wallonne. Belgium confirmed that the measures described above receiving a financial contribution from the EGF will not also receive financial contributions from other Union financial instruments.

III. Procedure

In order to mobilise the Fund, the Commission has submitted to the Budgetary Authority a request to transfer a global amount of EUR 1 632 028 from the EGF reserve (40 02 43) to the EGF budget line (04 04 01). The trilogue procedure shall be initiated in the event of disagreement, as provided for in Article 15(4) of the EGF Regulation.

According to an internal agreement, the Employment and Social Affairs Committee should be associated to the process, in order to provide constructive support and contribute to the assessment of the applications from the Fund.

LETTER OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

Mr Johan Van Overtveldt
Chair
Committee on Budgets
WIE 05U012
BRUSSELS

Subject: Opinion on the mobilisation of the European Globalisation Adjustment Fund (EGF) for the case EGF/2019/001 BE/Carrefour (COM(2019)0442 – C9-0127/2019 – 2019/2114(BUD))

Dear Chair,

The Committee on Employment and Social Affairs (EMPL) and its Working Group on the EGF, chaired by EMPL Vice-Chair Tomáš Zdechovský, examined the mobilisation of the EGF for the case EGF/2019/001 BE/Carrefour and adopted the following opinion.

The EMPL committee and its Working Group are in favour of the mobilisation of the Fund concerning this request. In this respect, the EMPL committee presents some remarks without, however, putting into question the transfer of the payments.

The deliberations of the EMPL committee are based on the following considerations:

- A) Whereas this application is based on Article 4(1)(a) of Regulation (EU) No 1309/2013 (EGF Regulation) and relates to 751 workers made redundant in Carrefour Belgique SA, operating in the economic sector classified under the NACE Revision 2 Division 47: retail trade, except motor vehicles and motorcycles;
- B) Whereas, in order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Belgium argues that the main reason behind the workforce reduction are online shopping and digitalisation, as well as the related changing patterns of consumers' habits;
- C) Whereas worldwide steady grow of online sales for many years has contributed in the case of Carrefour to the decline in sales of non-food products (fashion, books, computer and electronics, health and beauty etc) in its hypermarkets, thus undermining profitability of this type of stores; whereas the percentage of Belgian online shoppers has risen from 46% in 2012 to 67% in 2018;
- D) Whereas Carrefour Belgium operates through three brands, two of which are profitable and expanding - Carrefour Express and Carrefour Market, whereas among the Carrefour Hypermarkets, 19 out of 45 are not profitable;
- E) Whereas to date, the retail sector has been the subject of 10 EGF applications, two of

which based on trade related globalisation¹ and eight on the global financial and economic crisis²;

- F) Whereas, among the 400 targeted workers, women represent 70.5 % and men 29,5 %, whereas 81,3% of the targeted beneficiaries are aged between 55 and 64 years, 17% are between 30 and 54 years, 1,7 % between 25 and 29 years. The total estimated number of beneficiaries expected to participate in the measures, including NEETs, is therefore 730;

Therefore, the Committee on Employment and Social Affairs calls on the Committee on Budgets, as the committee responsible, to integrate the following suggestions in its motion for a resolution concerning the Belgian application:

1. Agrees with the Commission that the intervention criteria set out in Article 4(1)(a) of the Regulation (EU) No 1309/2013 are met and that, therefore, Belgium is entitled to a financial contribution of EUR 1 632 028 under this Regulation, which represents 60% of the total cost of EUR 2 720 047;
2. Notes that the Commission respected the deadline of 12 weeks from the reception of the completed application from the Belgian authorities until finalising its assessment of its compliance with the conditions for providing a financial contribution on 4 October, and notified it to Parliament on the same day;
3. Recognises the expected significant adverse impact on the employment situation and in the regional economy of Wallonia, resulting from the scarcity of jobs in the region, the relatively high regional unemployment rate (8,6%) compared to 3,5% in Flanders and the expected difficulties of redeployment for the redundant workers, in particular those aged 50+;
4. Notes that Belgium will provide personalised services co-financed by the EGF to up to 330 young people not in employment, education or training (NEETs) under the age of 25 on the date of submission of the application. 240 of the redundancies occur in the NUTS level 2 regions of Province Hainaut and Province Liège;
5. Notes that the EGF co-funded personalised services for the redundant workers and NEETs include actions for support, guidance, integration training, retraining and vocational training, support towards business creation, contribution to business start-up and allowances;
6. Underlines that 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

¹ The current application and EGF/2017/005 FI/Retail, COM(2017) 618.

² EGF/2010/010 CZ/Unilever, COM(2011) 61,
EGF/2010/016 ES/Aragón Retail, COM(2010) 615,
EGF/2011/004 EL/ALDI Hellas, COM(2011) 580,
EGF/2014/009 EL/Sprider Stores, COM(2014) 620,
EGF/2014/013 EL/Odysefs Fokas, COM(2014) 702,
EGF/2015/011 GR/Supermarket Larissa, COM(2016) 210,
EGF/2016/005 NL/Drenthe Overijssel Retail, COM(2016) 742, and
EGF/2017/003 GR Attica Retail, COM(2017) 613.

NEETs who undertake full-time studies of at least one year;

7. Highlights that workers will be further empowered by measures, such as counselling, awareness-raising actions on entrepreneurship and networking with relevant entrepreneurs and with certified start-up coaches. Further on, the workers who start a business or an activity as self-employed persons will receive a contribution up to EUR 15 000;
8. Welcomes the active involvement of social partners in the definition of the social plan and the coordination of the intervention of the public services concerned, as the Walloon public employment service consulted the trade unions on various redeployment solutions as well as on the reskilling/upskilling needs of the workers;
9. Notes the Belgian authorities' assurance that the proposed actions will not receive financial support from other Union funds or financial instruments and that they will be complementary with actions funded by the Structural Funds. Further on, a financial contribution from the EGF will not replace actions the enterprise concerned is required to take by virtue of national law or pursuant to collective agreements;
10. Recalls that in line with Article 7 of the Regulation, the design of the coordinated package of personalised services should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

Yours sincerely,

Lucia Ďuriš Nicholsonová
Chair of Committee on Employment and Social Affairs

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	6.11.2019
Result of final vote	+ : 30 - : 3 0 : 2
Members present for the final vote	Rasmus Andresen, Clotilde Armand, Anna Bonfrisco, Jonathan Bullock, Olivier Chastel, Lefteris Christoforou, Paolo De Castro, José Manuel Fernandes, Eider Gardiazabal Rubial, Alexandra Geese, Valentino Grant, Elisabetta Gualmini, Francisco Guerreiro, Valerie Hayer, Niclas Herbst, John Howarth, Mislav Kolakušić, Moritz Körner, Joachim Kuhs, Zbigniew Kuźmiuk, Ioannis Lagos, Hélène Laporte, Pierre Larroustourou, Janusz Lewandowski, Margarida Marques, Jan Olbrycht, Dimitrios Papadimoulis, Karlo Ressler, Bogdan Rzońca, Nicolae Ștefănuță, Nils Ušakovs, Rainer Wieland, Angelika Winzig
Substitutes present for the final vote	Erik Bergkvist, Monika Vana

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

30	+
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca
GUE/NGL	Dimitrios Papadimoulis
ID	Hélène Laporte
NI	Mislav Kolakušić, Ioannis Lagos
PPE	Lefteris Christoforou, José Manuel Fernandes, Niclas Herbst, Janusz Lewandowski, Jan Olbrycht, Karlo Ressler, Rainer Wieland, Angelika Winzig
RENEW	Clotilde Armand, Olivier Chastel, Valerie Hayer, Nicolae Ștefănuță
S&D	Erik Bergkvist, Paolo De Castro, Eider Gardiazabal Rubial, Elisabetta Gualmini, John Howarth, Pierre Larrourou, Margarida Marques, Nils Ušakovs
VERTS/ALE	Rasmus Andresen, Alexandra Geese, Francisco Guerreiro, Monika Vana

3	-
ID	Joachim Kuhs
NI	Jonathan Bullock
RENEW	Moritz Körner

2	0
ID	Anna Bonfrisco, Valentino Grant

Key to symbols:

+ : in favour

- : against

0 : abstention