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

2024/0226(BUD) - 22/10/2024 - Budgetary text adopted by Parliament

The European Parliament adopted by 601 votes to 47, with 17 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 for Displaced Workers following an application from Belgium – EGF /2024/001 BE/Match-Smatch.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial assistance contribution of EUR 2 661 564 in commitment and payment appropriations from the EU budget for the financial year 2024, in response to the application submitted by Belgium following the displacement of 513 workers made redundant in Match-Smatch (Match SA. and Profi SA.) - retail trade, except of motor vehicles and motorcycles.

This contribution represents 85 % of the total cost of EUR 3 131 252, comprising expenditure for personalised services of EUR 3 009 752 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 121 500.

Events leading to redundancies

The Belgian food retail sector recorded a significant decline in volumes sold in 2023, due to the energy and inflationary crisis, and increased cross-border shopping and e-commerce. Match-Smatch faced a difficult economic situation for several years and eventually reported a gross operating loss of EUR 36.5 million in 2022, and in order to prevent a further accumulation of losses, Match-Smatch accepted the Colruyt Group’s offer to acquire 57 of the 84 stores in September 2023, also taking over the stores' staff (1 069 people). Eight additional stores went to Carrefour, Delhaize, Intermarche and Delfood.

The economic crisis caused by the COVID-19 pandemic has accelerated the demand for more qualified workers in the Belgian labour market, making it more difficult for the former Match-Smatch workers to reintegrate into employment.

Beneficiaries

The application relates to 513 displaced workers whose activity has ceased in Match-Smatch. 365 displaced workers in total will be targeted beneficiaries and are expected to participate in the measures. Half of the Match-Smatch redundant workers (46 %) are aged fifty or older, an age group that faces more barriers to employment. Therefore, reskilling and upskilling the workers in line with labour-market demand for qualified jobs will pose a challenge, all the more considering the large number of people dismissed at the same time.

Personalised services

Parliament welcomed the fact that the co-ordinated package of personalised services has been drawn up by Belgium in consultation with targeted beneficiaries, their representatives and the social partners to

make the affected areas, and the overall labour market, more sustainable and resilient in the future. It considers it a social responsibility of the Union to provide these workers made redundant with the necessary qualifications for the digital and green transformation of the Union industry and economy.

In addition, Members welcomed the fact that aiming to prepare a sound package of tailored measures to support the Match-Smatch workers' efforts to return to work, the Regional Public Employment and Vocational Training Service of Wallonia (Le Forem), trade unions (FGTB and CSC), and other partners met on several occasion in 2024 to better understand workers' retraining needs.

Parliament strongly supports the fact that, during the 2021-2027 MFF period, the EGF will continue to show solidarity with persons affected and maintain the focus on the impact of restructuring on workers.

Belgium started providing the personalised services to the targeted beneficiaries on 1 January 2024 and that expenditure on the measures will therefore be eligible for a financial contribution from the EGF from 1 January 2024 until 24 months after the date of the entry into force of the financing decision.

The resolution recalled that personalised services to be provided to the workers and self-employed persons consist of the following actions: information services, occupational guidance and outplacement assistance, training, retraining and vocational training, support and contribution towards business creation, as well as incentives and allowances.

Parliament stressed that the Belgian authorities have confirmed that the eligible actions do not receive assistance from other Union funds or financial instruments, and that the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation. Moreover, assistance from the EGF must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements, or any allowances or rights of the displaced workers, to ensure full additionality of the allocation.