Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Spain

2021/0356(BUD) - 14/12/2021 - Budgetary text adopted by Parliament

The European Parliament adopted by 665 votes to 27, with 5 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 (EGF) for workers made redundant following an application from Spain - EGF/2021/004 ES/Aragón automotive.

Parliament approved the proposal for a decision to mobilise the EGF to provide a **financial contribution of EUR 1 404 863** in commitment and payment appropriations from the Union budget for the financial year 2021 in response to the application submitted by Spain, which is facing redundancies in the automotive sector.

This contribution represents **85% of the total cost** of EUR 1 652 780, including EUR 1 600 280 for personalised services and EUR 52 500 for EGF implementation.

Events leading to the redundancies

The COVID-19 pandemic, the strict lockdown measures implemented in the second quarter of 2020 in Spain and the resulting shortage of semiconductors had a negative impact on the automotive sector in the country, so that between January and June 2021, vehicle production in Spain (1.2 million units) continued to show a 21.6% decrease compared to production in the same period of 2019.

Spain submitted an application for a financial contribution from the EGF following the redundancy of **592 workers** employed in the economic automotive sector in the region of Aragón. 460 workers were made redundant before or after the reference period of 1 November 2020 to 1 May 2021 as a consequence of the same events that triggered the redundancies of the workers made redundant in the reference period.

Eligible beneficiaries

Members noted that the application covered a total of **1 052 workers** made redundant in the Spanish automotive sector but regretted that Spain plans to have **only 320** of the total eligible beneficiaries participate in the measures. They called on local authorities to be more proactive in encouraging redundant workers to participate in the proposed actions.

Parliament drew attention to the fact that one third of the targeted beneficiaries are women (34.1%) and almost 40% are over 54 years old (39.7%). The social impact of the redundancies on the economy of Aragón, where 60% of jobseekers are women and 49% are in the over-50 age group, is expected to be considerable. In Aragón, the automotive sector represents 2.42% of net employment and around 6% of regional GDP. The number of registered jobseekers is now 26% higher than pre-pandemic levels (75 578 jobseekers in June 2021 compared to 60 000 in June 2019).

Personalised services

Parliament recalled that the personalised services to be provided to workers and self-employed persons include the following actions: (i) general information and welcome sessions; (ii) occupational guidance;

(iii) intensive job-search assistance; (iv) horizontal training; (v) reskilling and upskilling; and (vi) financial incentives

Members encouraged the authorities to focus more on programs and actions designed with the **interests of women in mind** as they represent 34.1% of the targeted beneficiaries. They also stressed that the planned measures should be implemented in line with **Spain's circular economy strategy**, based on non-toxic material cycles and that training measures should cater to the requirement of disseminating the skills required in the digital industrial age and in a resource-efficient economy.

Parliament welcomed the fact that a coordinated package of personalised services has been designed in consultation with the social partners.

In order to minimise the time taken to mobilise the EGF, this Decision should apply from the date of its adoption.