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

2022/0010(BUD) - 08/03/2022 - Budgetary text adopted by Parliament

The European Parliament adopted by 665 votes 28, with 3 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 /006 ES/Cataluña automotive.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of **EUR 2 795 156** in commitment and payment appropriations from the Union budget for the financial year 2022 in response to the application submitted by Spain for assistance with redundancies in the automotive sector (manufacture of motor vehicles, trailers and semi-trailers) in the region of Catalonia.

This contribution represents 85% of the total cost of EUR 3 288 419, including EUR 3 138 300 for personalised services and EUR 150 119 for EGF implementation.

Events leading to the redundancies

On 28 May 2020, Nissan announced the closure of its plant in Barcelona, resulting in more than 2 500 direct redundancies and the loss of 8 000 jobs among its suppliers. The redundancies referred to in this request are concentrated in four counties in the region of Barcelona (Barcelonès, Alt Penedés, Baix Llobregat and Vallès Oriental), where a large number of companies in the automobile sector are located.

Members also noted that the social consequences of the redundancies are likely to be significant for Catalonia, where the automotive industry is the third most important sector (after chemicals and food), both in terms of turnover and employment.

Beneficiaries

The application relates in total to **705 displaced workers** whose activity has ceased. In addition, Spain expects that 450 out of the total eligible beneficiaries will participate in the measures.

Members recalled that 34.9% of the targeted beneficiaries are over 54 years of age, 44.4% are women and 50.4% have a lower secondary education or less. They stressed the importance of ensuring that the specificities related to age, educational level and the combination of both factors are duly taken into account when implementing the personalised service package.

Personalised services

Parliament recalled that the personalised services to be provided to displaced workers for a total of 37.8% of the financial support include the following actions: (i) workshops on job search methods, (ii) occupational guidance, (iii) training (horizontal competencies, re-skilling, up-skilling and internships, as well as vocational training), (iv) entrepreneurship support, (v) business creation grants, (vi) intensive job-search assistance including identifying local and regional job perspectives, (vii) tutoring after reintegration into work and various financial incentives.

Members welcomed the fact that the co-ordinated package of personalised services was planned to be in line with the **Spanish Circular Economy Strategy** and that the EGF application was supported through a process involving the social partners. They asked that the social partners be involved in the implementation and evaluation of the service package.

Lastly, stressing that the **digital and green transformation** will have a significant effect on the labour market and the automotive sector, Parliament recalled the important role that the EU should play in providing the necessary qualifications for the just transformation in line with the European Green Deal.

Members called for particular attention to be paid to qualified education, including vocational training and promoting the so-called dual apprenticeship system, which has proven to be effective in several Member States.