



Lost in Transition?

Charting a Course for Europe's Automotive Industry Workers

ASTA IN A NUTSHELL

→ ASTA is a new EU agency that bridges the gap between actors in automotive sector and support from the EU.

→ ASTA protects workers at risk of being left behind in the green transition by providing technical and financial support to the companies that they rely on.

→ ASTA innovates by relying on a consensual and representative approach, across borders, to gather information and monitor the change, and to coordinate actions at the level of company and workers that enhance welfare and prevent negative dislocations.

The automotive sector is a key component of European industry in terms of its contribution to employment and economic activity. The sector is also facing immediate and protracted disruption as a result of the transition to a net zero-emission economy, a central EU policy agenda. This disruption is likely to affect the sector's stakeholders unevenly with significant short-term economic losses among specific groups. While major car manufacturers (OEMs) are well-placed to successfully navigate the transition without suffering net job losses, the impending obsolescence of the internal combustion engine (ICE) and its replacement with electric vehicles (EVs) presents an existential threat to the highly specialized suppliers who manufacture ICE related components.

Transition in action: In July 2021, a French automotive industry delegation petitioned President Macron, underlying 17.5 billion of euros were needed in investments, of which 30% should come from public funds. The time-frame for responding to transition policies, they claimed, was too short for industries to successfully adapt without public support.

Without policy intervention, the automotive sector risks contributing to growing economic inequality and social tension, creating a new wave of "left behind" individuals. In recent years, the narrative of being "left behind" or "forgotten about" has become a major driver of populist rhetoric and anti-democratic sentiment within Europe and beyond. Those at risk of losing their livelihoods deserve an opportunity to articulate their needs and access to the funds necessary for realising them. The concept of a **Just Transition (JT)** helps to address these concerns by guiding the development of transition policies that are politically sustainable, well-targeted, and above all, fair.



The **Automotive Suppliers Transition Agency (ASTA)** supports firms supplying the automotive industry that are expected to face major disruption as a consequence of the shift to zero-emissions transport.

ASTA works with firms and employees in the automotive supply sector to focus investment where it is most needed. Funded at the European level through the Just Transition Fund (JTF), the scheme provides grant funding and access to concessional loans for the purposes of retraining, hiring, entrepreneurial support for laid-off employees, capital investments, and, where prudent, early retirement. It is through the continued success of these businesses that we can best support the workers they employ, and ensure minimal disruption to the communities they are part of.

ASTA principles



- ASTA is based on three core principles distinguishing it from existing EU-wide JT initiatives:
- ASTA is **participatory**, actively seeking input from, and providing representation to, workers and suppliers who are negatively affected by the transition.
 - ASTA provides tailored **sectoral support** to an industry facing radical transformation.
 - ASTA is **transnational**: it targets and supports workers in affected sectors, wherever they are within the EU.

Innovative, Participatory, Just. So... how does it work?

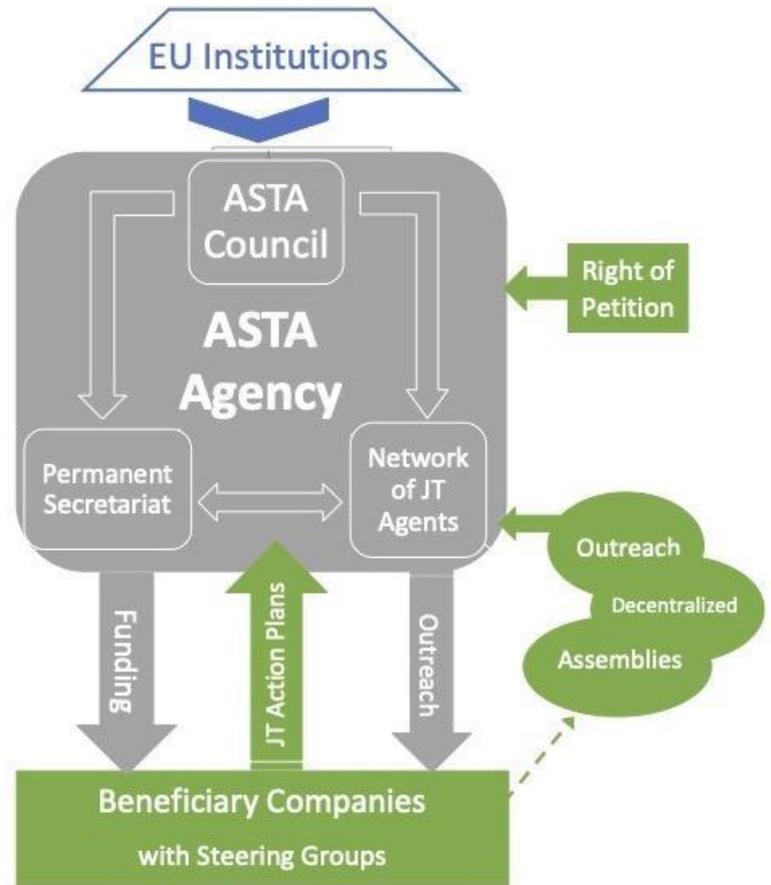
ASTA Organizational Structure

1) **ASTA** is an EU-wide organization responsible for the development, guidance, promotion, allocation of funds, and oversight. ASTA consists of:

- an **ASTA Council**, representing labor unions, and suppliers' and manufacturers' associations;
- a **Permanent Secretariat** responsible for running ASTA's daily operations;
- a **Network of JT Agents** directly supporting companies in transition.

2) **EU Institutions** have ultimate control and oversight over ASTA, and assume overall responsibility for pursuing a just transition strategy in the European automotive sector.

3) European companies and employees of the automotive sector are eligible to benefit from ASTA. One or several **Beneficiary Companies (BCs)** set up a **Steering Group** representing employees and owners of the company or group of companies. Steering Group participants provide comprehensive and up-to date information about disruptions the company and its employees are facing as a result of the green transition, and devise strategies that both protect their interests and support the transition away from ICE-related products. The Steering Group is then responsible for conceiving and implementing a Just Transition Action Plan (JTAP; see below), in which funding requests for specific activities are made..



The roadmap: Just Transition Action Plans



The **Just Transition Action Plan** is the roadmap describing how each company, or group of companies, plans to tackle its transition challenges. It includes information about the applicant's actions, goals, scheduling, timing, and resources needed. Activities eligible for funding to be listed in the JTAP include retraining of employees, entrepreneurial support for laid-off workers, investments in necessary equipment, and, in limited circumstances, early retirement.

Steering Group prepares a **JTAP** and submits it along with their application for funding.



JTAP is reviewed, evaluated and approved by ASTA.



Approved JTAP is implemented and managed by the Steering Group, under ASTA oversight.

To apply for funds under ASTA, companies must ...

- Be a registered company **headquartered** in an EU Member State;
- Generate **at least 10%** of gross revenues from the supply of components to the automotive industry, either directly to OEMs or to intermediate suppliers;
- Provide **evidence** of decline in revenues due to green transition;
- Form a Steering Group to prepare and submit a **Just Transition Action Plan**.



... and expect evaluation to be based on 4 criteria:

- Risk exposure (25%);
- Achievability of transition plan (25%);
- Ambition of transition plan (25%);
- Effective use of proceeds (25%).