



11th Colloquium Sustainable Welfare & Eco-Social Policy Network

23 January 2024, 14:30 – 16:00 (CET)

via Zoom: <https://tuni.zoom.us/j/4243508254>

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The Importance of Fairness

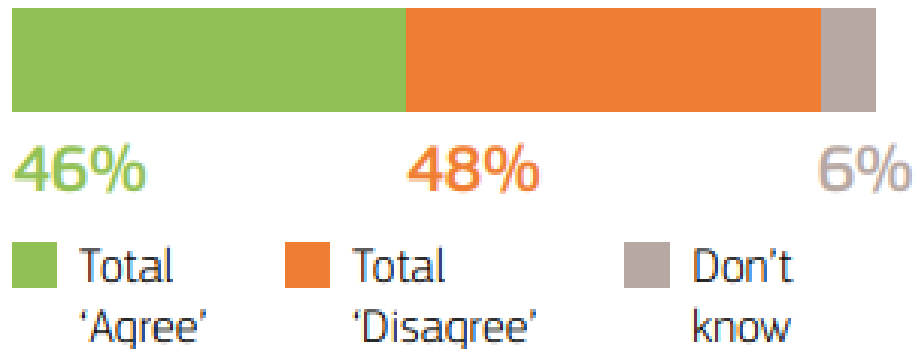
Shaping a transition by design, not disaster

Expectations and concerns

Perceptions of European citizens

The green transition
should not leave
anyone behind

46% agree to consider they are confident that by 2050 sustainable energy, products and services **will be affordable** for everyone, including poorer people



88%
Total 'Agree'



8%
Total 'Disagree'

4%
Don't know

Feel a **personal responsibility to act** to limit climate change

77%
Total 'Agree'



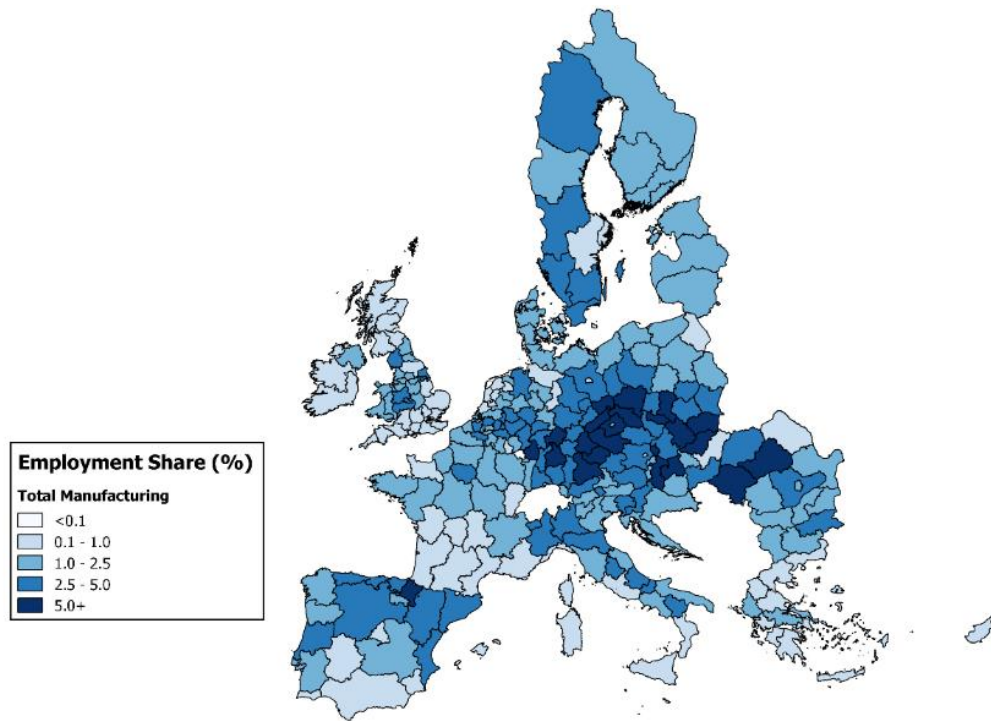
21%
Total 'Disagree'

2%
Don't know

Source: Special Eurobarometer 527 on
"Fairness perceptions of the green transition"

Uneven employment impacts and opportunities

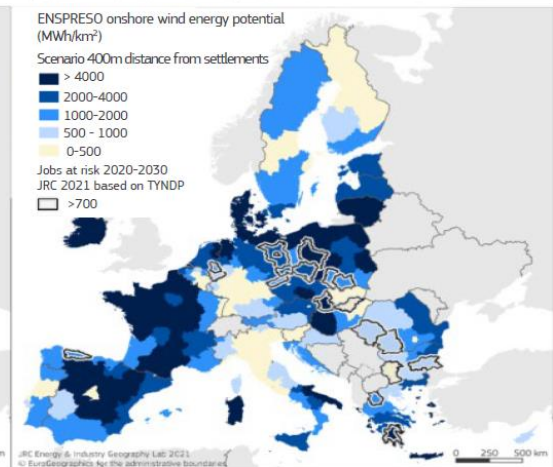
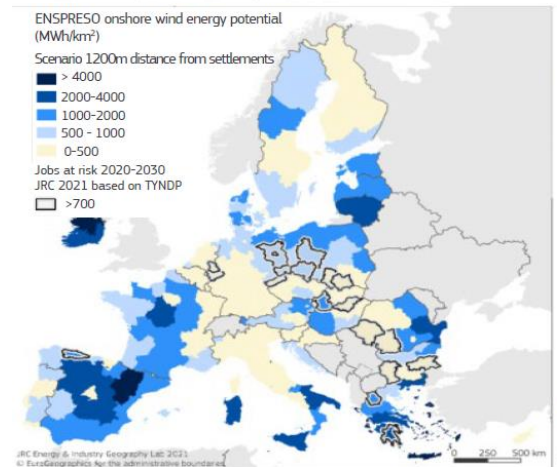
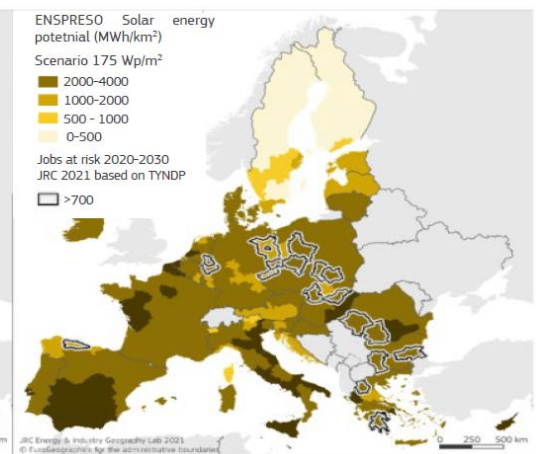
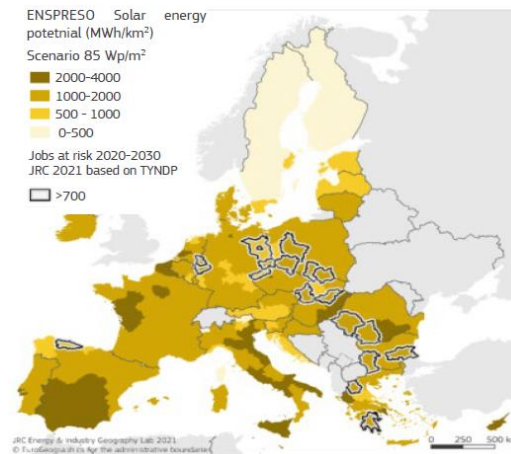
Challenges vary by Member States, regions and sectors



Employment shares in energy intensive industries and automotive manufacturing

Sectors considered:

- Manufacture of chemicals and chemical products (C20)
- Manufacture of other non-metallic mineral products (C23)
- Manufacture of basic metals (C24)
- Manufacture of motor vehicles, trailers and semi-trailers (C29)



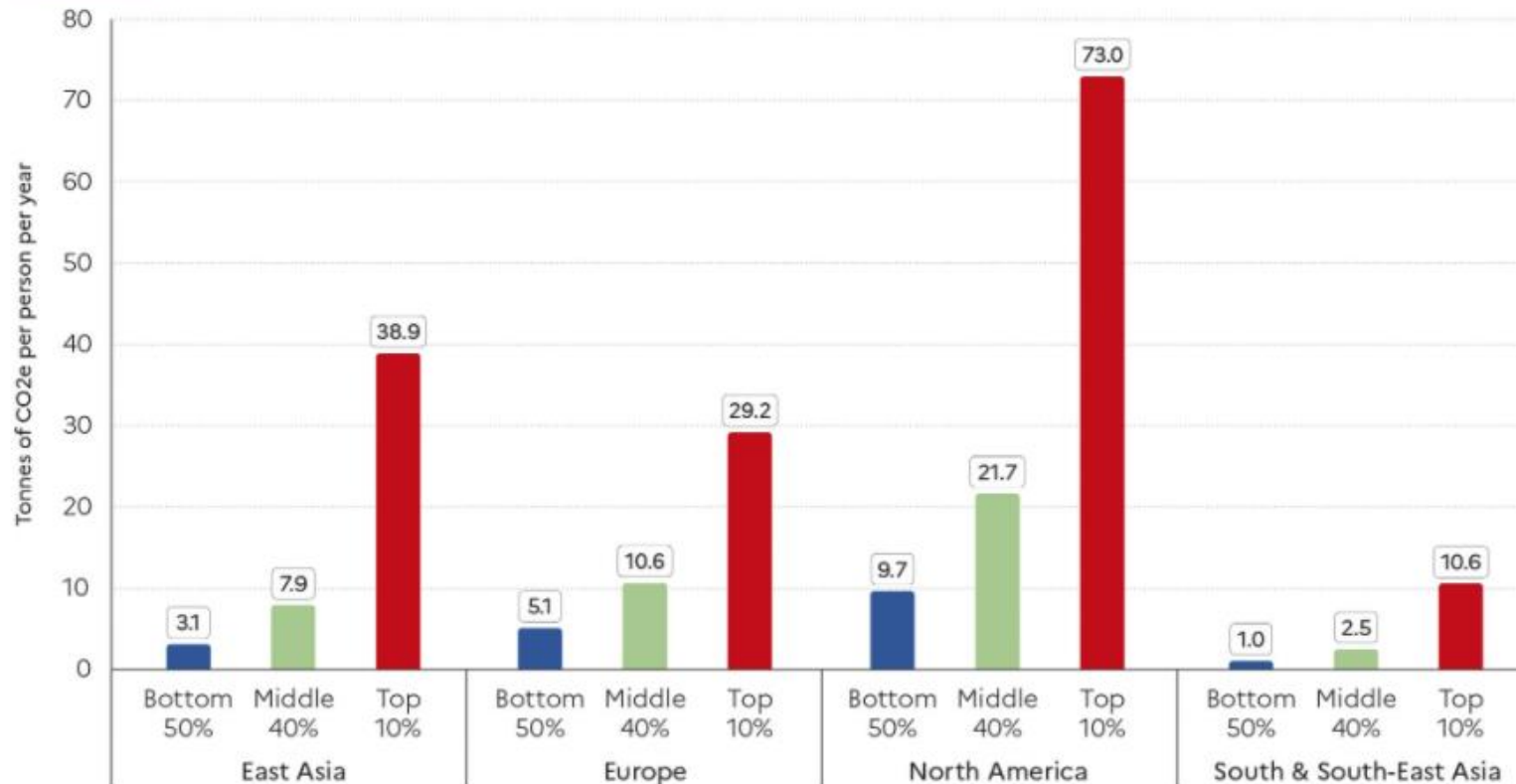
Some regions with jobs at risk also have potential to scale up solar (upper right panel) and wind (lower right panel) energy production

Source: JRC(2021), *The future of jobs is green*

Persistent and increasing carbon inequalities

Effects and efforts of emission reductions are unequal across income groups

Figure 6.4a Per capita emissions across the world, 2019



*“First time that **carbon inequalities are larger within countries than between countries.**”*

Climate Inequality Report,
World Inequality Lab (2023)

Interpretation: Personal carbon footprints include emissions from domestic consumption, public and private investments as well as imports and exports of carbon embedded in goods and services traded with the rest of the world. Modeled estimates based on the systematic combination of tax data, household surveys and input-output tables. Emissions split equally within households. **Sources and series:** wir2022.wid.world/methodology and Chancel (2021).

Policy Context and Commitments

2023-2024 Policy context

Transition towards climate targets

- EU climate target to reach climate neutrality by 2050 (**European Climate Law** adopted in July 2021)
- EU climate policies, including '**Fit for 55**' package and **Net-Zero Industry Act**, expected to impact the labour market and employment structure
- Fair transition enshrined in the European Green Deal by design, in line with the **Pillar of Social Rights**
- Policy guidance in the areas of employment, skills and social affairs under the **Council Recommendation on ensuring a fair transition towards climate neutrality**



Employment and skills trends

- Majority of EU citizens believe that tackling climate change will **create more jobs than they will remove** and that those will be **better quality jobs**
 - With the right accompanying policies in place, transition **can foster new job growth**, but quality of 'emerging' jobs may not be homogenous
- Labour **shortages have more than doubled** since 2015, including in sectors key to the transition
 - More than a third of Europeans report their **skills do not allow** them to contribute to the transition



Key shared **policy task** for all actors:

- effectively **fostering the right skills to address shortages** in the labour market
- facilitating and supporting **labour market transitions and** restructuring
- accelerating a fair **transition towards climate neutrality and social targets**

Looking to the new mandate:

2024-2029 Political Guidelines

New political priorities

- A new plan for Europe's **sustainable prosperity and competitiveness**
 - **EU Climate Law**: 90% emission reduction target for 2040
 - **Clean Industrial Deal** and Industrial Decarbonisation Accelerator Act
 - New **Circular Economy Act**
 - **Union of Skills**
- **Supporting people**, strengthening our societies and our social model
 - Implementation of **Social Climate Fund**
 - Launch of a **Quality Jobs Roadmap**
 - New **Pact for European Social Dialogue**
 - **European Affordable Housing Plan**
 - New **European Pillar of Social Rights Action Plan**
 - First ever **Anti-Poverty Strategy**

New trends and challenges

- Employment and competitiveness challenges in **Energy Intensive Industries (EII)**.
- Emergence of **Occupational Health and Safety (OSH)** concerns, incl. exposure to heat stress.
- **Adaptation to Climate Change**: developing social and economic resilience following natural disasters.



Renewed commitment to:

"Supporting people, strengthening our societies and our social model" - Mission Letter, EVP Minzatu

"Ensure that Europe's transition is for the benefit of people and their jobs, helping to boost our economy and industry and ensuring no one is left behind." - Mission Letter, EVP Ribera

The EU's Just Transition Policy Framework

What have we done so far?

EU Just Transition Framework

Strategies and targets

- ✓ European Green Deal (European Climate Law, 2040 Climate Target Plan)
- ✓ European Pillar of Social Rights and Pillar Action Plan
- ✓ European Skills Agenda and Skill Pacts

Guidance and Monitoring

- ✓ Council Recommendation ensuring fair transition towards climate neutrality
- ✓ Updated National Energy and Climate Plans
- ✓ Fair transition indicators in European Semester
- ✓ Commission Recommendation on energy poverty

Financial support

- ✓ Social Climate Fund
- ✓ Cohesion Funds, incl. , ESF+
- ✓ Just Transition Mechanism/Fund
- ✓ Recovery and Resilience Facility
- ✓ ...

Council Recommendation

Ensuring a fair transition towards climate neutrality

1. Policy packages for a fair green transition

a. Active support to quality employment

- Employment, job creation
- Working conditions
- Involvement, restructuring

b. Education, training, lifelong learning

- Strategies, partnerships
- Intelligence, cooperation
- VET, adult training

c. Fair tax-benefit systems, social protection

- Tax shift away from labour
- Social protection, well-designed income support
- Insurance solutions

d. Access to essential services, housing

- Energy investments, renovations, social housing
- Mobility and transport
- Consumption (nutrition)

2. Cross-cutting elements

a. Inclusive whole-of-society approach

- Coordinated policy-making, social partners, civil society, regional and local authorities, public services

b. Evidence-based approach

- Definitions, concepts and methodologies; ex-ante & ex-post impact assessments; R&I; public exchanges

3. Funding

Optimal use of public and private funding

- EU-level instruments and funding options (e.g. Recovery and Resilience Facility, Cohesion Policy funds, Just Transition Mechanism, InvestEU, ERASMUS+, EGF, LIFE, etc.)
- Commit and deploy adequate national resources; share best practices among Member States

Implementation by the Member States and monitoring:

- in the context of the **European Semester**, incl. **REPowerEU chapters** in the RRP (under the Recovery and Resilience Facility) covering skills for the green transition and energy poverty;
- **National Energy and Climate Plans** under the Energy Union and Climate Action Governance

- Fully **exploit benefits** and opportunities associated with the green transition
- **Fairly spread the costs** of tackling and adapting to climate change.

First Progress Review

Key messages adopted by EPSCO in 2023

- There is generally lack of a **strategic approach**.
- There are **significant differences between countries** in the scale and ambition. The **implementation is at a very early stage in most Member States**.
- There is **scope for a more systematic, coordinated and targeted approach**
 - reinforced coordination between and within national, regional, and local levels
 - reinforced cooperation with social partners and relevant stakeholders, including civil society organisations



2025: Second and full review to reevaluate progress

First Progress Review

Key messages adopted by EPSCO in 2023

There is also scope for a more comprehensive and systematic analysis of the socio-economic impacts of the green transition.

Member States agreed that **further work is needed to:**

- **Strengthen the evidence-base** to assess and monitor impacts
- **Provide a common understanding of fair transition policies:** exchange of best practices and establishment of key concepts (e.g. green jobs and skills, transport poverty)
- **Enhance social and civil dialogues**



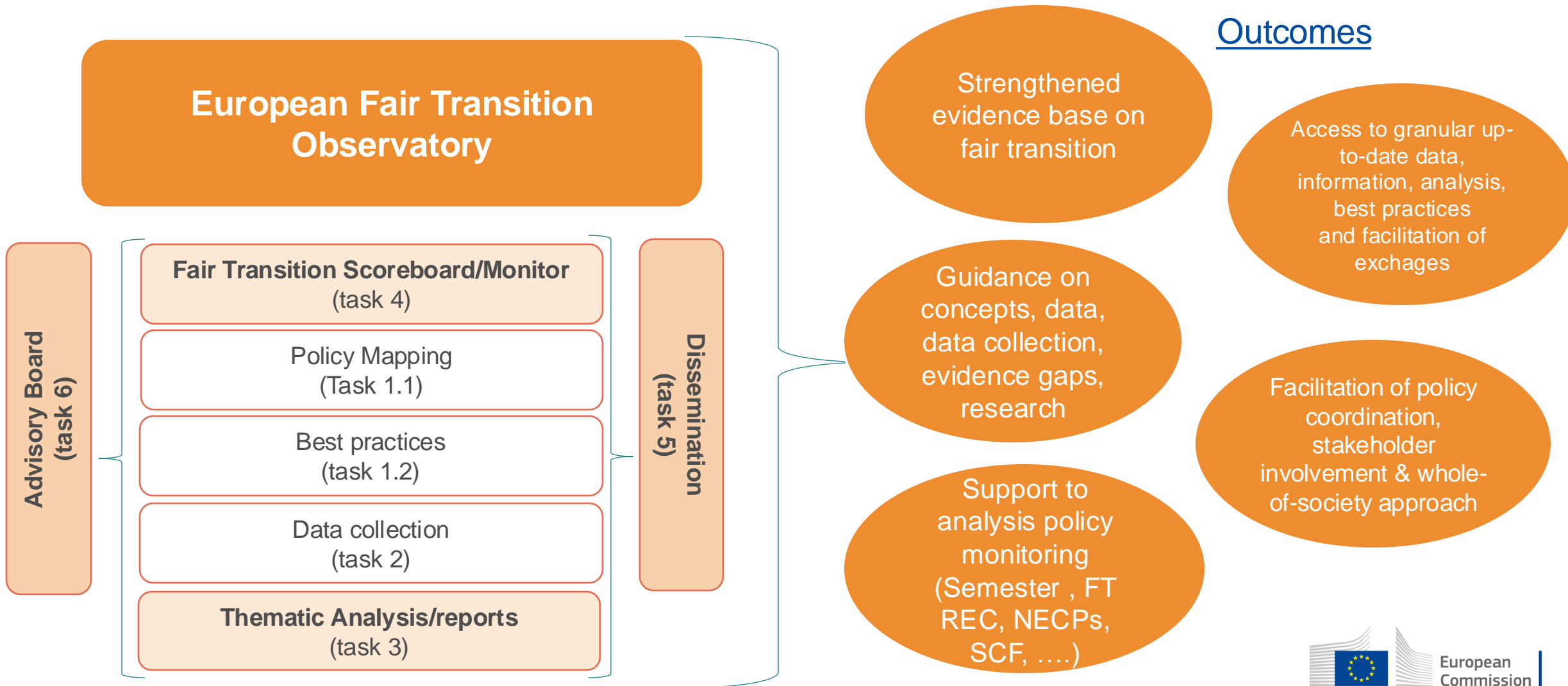
2025: Launch of the Fair Transition Observatory

Fair Transition Observatory

Simplifying & strengthening the evidence-base of fair transition policies

European Fair Transition Observatory

Structure and objectives



Social Climate Fund

Tackling energy and transport poverty

Social Climate Fund

What can be financed?

Purpose:

- Address the **social impacts of new emissions trading system** for buildings and road transport
- Reduce **energy and transport poverty**
- **EUR 86.7 billion** (incl. 25% national contributions).
- **Social Climate Plans** to be submitted by mid-2025



Support investments in energy efficiency & renovation of buildings, clean heating & cooling



Finance zero- & low-emission mobility & transport, including public transport



Provide temporary direct income support to the vulnerable households

✓ Compliance with **do no significant harm (DNSH)** – Commission guidance

max. 37,5% consistent with structural measures & investments -

Research on the green transition

A European Partnership for Social Transformations & Resilience

Research for Just Transition

New Partnership on Social Transformations & Resilience

- **Co-funded partnership** under Cluster 2 ‘*Culture, Creativity and Inclusive Society*’ with the aim to:
 - Create a transformative R&I programme between **social sciences and humanities (SSH)** to use their potential to build resilience, ensure fairness and inclusiveness and foster social cohesion in **light of changes in climate, environment, technology, demography and unexpected shocks**.
 - Develop **knowledge, tools and innovative solutions** to address social challenges in a collaborative, interdisciplinary and systematic way.
 - Contribute to **new strategies and policy solutions** at European, national and regional level.
- **Four interlinked impact areas:** Social protection and essential services, future of work, education and skills development, **fair transition towards climate neutrality**
- **Coordinator:** National Science Centre (Poland); other partners: national research funders and ministries
- **Envisioned duration:** 2027 – 2034 (possibly beyond)
- **Estimate total budget:** 100M – 120M EUR total (30% co-funding from EU budget)
- **More information here:** [New Partnership Candidates under Horizon 2nd Strategic Plan \(Draft\)](#)

Research for Just Transition Policy Workshop

Horizon Europe – Feedback to Policy

- 20 – 21st February 2025 | Brussels | In-Person

Session 1 Fairness

How to approach carbon inequalities and policy levers for a fair distribution of costs and efforts

Session 2 Competitiveness

How a just transition can enhance sustainable competitiveness and policy levers for prosperity and equity

Session 3 Job Quality

How twin transitions impact work and workers, in particular job quality and job-to-job transitions

Contact EMPL-F3-UNIT@ec.europa.eu for more information on access & invitations.

Thank you for your attention!

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