The EU and the just transition: elements for a policy and research agenda

Shaping the future of EU governance: Towards a just transition

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Outline of the presentation

1. The European Green Deal and the just transition
2. ‘Transition-proof’ welfare states
3. The emerging EU framework for a just transition and its limitations
4. Strengthening the EU just transition framework: elements for a policy and research agenda
5. Concluding remarks


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The European Green Deal and the just transition (1)

What is new in the 2019 European Green Deal (EGD)?

Key objectives

Enhancing growth and competitiveness

The fight against climate change and environmental protection at the centre of the EU growth strategy:

- **zero net emissions** of greenhouse gases (by 2050) and decoupling of economic growth from emissions and resource use;
- protect, conserve and enhance the EU's **natural capital** (emphasis on biodiversity)

The European Green Deal and the just transition (2)

Approach

EU **green transition**: EU environmental and climate objectives + green growth / ecological modernization

Synergies and trade-offs economic, ecological and social objectives

Awareness that the green transition will not be automatically socially fair nor it will *per se* reduce social inequalities.

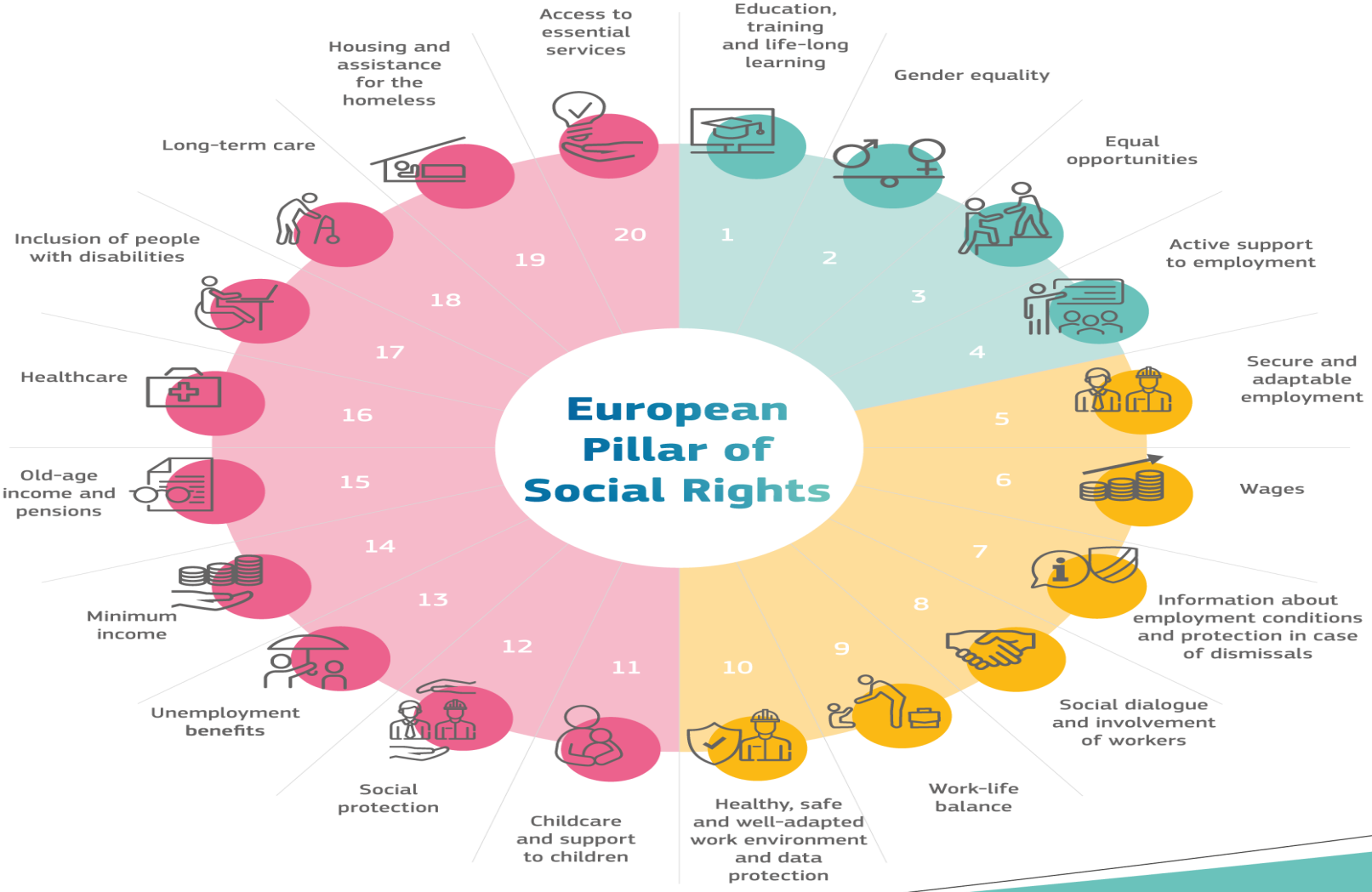
Call for a **just** (green) **transition** fairly distributing both the opportunities and the risks deriving from the green transition, and **'leaving no one behind'**.

The European Green Deal and the just transition (3)

The EGD and the just transition: some ambiguities

- **Narrow understanding** of the just transition: i) territorial and sectoral focus + ii) 'functional' focus
- **Unclear role of the EU** when it comes to steering national welfare states in adapting to the challenges of the green transition
- The **European Pillar of Social Rights** as the reference framework for ensuring a just transition for all but no details on **how the implementation of the Pillar** and **welfare states should adapt** to the green transition

The 20 principles of the European Pillar of Social Rights



#SocialRights

‘Transition-proof’ welfare states (1)

Just transition: trade union movement since the ‘60s/ International Labour Organisation, 2015, – now linked to the UN 2030 Agenda and SDG

Contested concept

distributional + restorative + recognition + procedural justice

A working definition:

*Need to **consider and address the possible uneven social implications** of policies for the transition towards a more environmentally sustainable development model and to **distribute fairly the related costs and opportunities**, ensuring **meaningful involvement of stakeholders and citizens** in the making of decisions*

‘Transition-proof’ welfare states (2)

4 functions of the welfare state in the green transition:

1. Welfare states as **benchmarks** for the green transition. The principles and rights on which welfare states rely could act as a benchmark for designing and implementing green transition policies.

2. Welfare states as **enablers** of the green transition (social investment policies + greening the welfare state).

3. Welfare states as **buffers** in the green transition (e.g., social inclusion and protection policies).

4. Welfare states as **consensus-builders** or **conflict-management tools** of the green transition (social dialogue/ civil dialogue).

The emerging EU framework for a just transition and its limitations (1)

EU framework for a just transition:

a series of EU policy orientations and instruments for the implementation of the EGD aimed at ensuring that the EU and its Member States can exploit the opportunities deriving from the green transition while addressing and cushioning the related social challenges.

The emerging EU framework for a just transition and its limitations (2)

Key initiatives:

- **Just Transition Mechanism / Just Transition Fund** (2021)
- (**Recovery and Resilience Facility**) (2021)
- **Social Climate Fund** (2023)
- **Council Recommendation on ensuring a fair transition towards climate neutrality** (2022)

The emerging EU framework for a just transition and its limitations (3)

Functions of the welfare state	Just Transition Fund	Recovery and Resilience Facility	Social Climate Fund	(2022 Council Recommendation)
Benchmarking	x	x	x	x
Enabling	x	x	(x)	x
Buffer			x	x
Consensus building / conflict management	x	(x)	x	x

The emerging EU framework for a just transition and its limitations (4)

Challenges and limitations

- Decoupling of GDP growth and emissions termed 'unrealistic'
- Partial consideration of the 'socio-ecological nexus'
- What about the 'global dimension' of just transition?
- Relative weakness of the EU's 'social dimension'
- Integration, comprehensiveness, consistency remain rather partial and funding is not sufficient
- Monitoring of Member States' implementation

Strengthening the EU just transition framework: elements for a policy and research agenda (1)

#1 Making the welfare state (environmentally) sustainable

#2 Embedding the just transition in EU socio-economic governance

#3 Fully exploiting the potential of social and civil dialogue

Strengthening the EU just transition framework: elements for a policy and research agenda (2)

#1 Making the welfare state (environmentally) sustainable

EU just transition framework:

- The EPSR is constantly recalled as a reference
- Some of the EU instruments have a socio-ecological dimension

Need for a full and balanced implementation of the EPSR:

- Important role of 'buffers' (e.g., minimum income, unemployment benefits, healthcare…);
- insurance-based solutions for climate/environmental degradation-related risks.

Would this be enough to fully address the socio-ecological nexus?

Strengthening the EU just transition framework: elements for a policy and research agenda (3)

Sustainable welfare policies

- Designed to target agreed social and ecological priorities in a more direct way, without necessarily aiming for / depending on **economic growth**
- Fulfilling basic needs in a way that respects planetary boundaries

- **Examples**
  - Redistributive policies
  - Working time reduction
  - Universal basic services
  - Decreasing growth-dependency of welfare states' financing

→

- Shelter
- Food
- Healthcare
- Education
- Transport
- Information
- Legal aid & democracy



- Some of these policies are already being implemented: wellbeing economy in EU-countries

Strengthening the EU just transition framework: elements for a policy and research agenda (4)

Is it possible to implement policies linked to a post-/de-growth perspective in a green growth framework (EGD)? Which role could the EU play?

Exploring the possibility to implement the EPSR's principles through sustainable welfare policies

Exploiting existing EU fora and practices for mutual learning and exchange of good practices (e.g., Joint EMCO/SPC reviews, peer reviews) to reflect on/disseminate more innovative eco-social policies

Introducing some of these measures in future EU just transition policies

Strengthening the EU just transition framework: elements for a policy and research agenda (5)

#2 Embedding the just transition in EU socio-economic governance

EGD: Ambition to make economic, environmental and social objectives compatible, exploiting synergies and addressing trade-offs.

A **successful implementation** of the EGD requires:
- high degree of integration
- between a vast array of policies
- at different levels of governance
- taking into account interdependencies between multiple policy areas

We need a structured, strong and dynamic process for 'reality check' on if and how ambitions are being translated in practice.

Strengthening the EU just transition framework: elements for a policy and research agenda (6)

Is the European Semester up to this task? Is it the right setting to monitor the implementation of the EU just transition framework and steer Member States' policies in that direction?

- **Semester 2020: competitive sustainability**

But:

- **Persistent asymmetries between the economic, social, and environmental dimensions of the Semester**
- **Need to strengthen environmental and social dimensions of the Semester**
- **Risk of overburdening the Semester process?**

Strengthening the EU just transition framework: elements for a policy and research agenda (7)

Asymmetries in the Semester in terms of both procedures and objectives

Will the reform of the EU's economic governance rules facilitate or further constrain the pursuit of the objective of a just, green transition?

Main objectives: strengthen public debt sustainability while promoting sustainable and inclusive growth in all Member States through reforms and investment

Common Priorities of the Union (Annex VI REG): i) **EGD**; ii) **EPSR**; iii) Digital Decade Policy Programme 2030; and iv) Strategic Compass for Security and Defence.

Risk of a **partial and selective implementation** of the Common Priorities

Strengthening the EU just transition framework: elements for a policy and research agenda (8)

Broadening the knowledge basis on the linkages between green transition and social policies:

- **further develop the EPSR's Social Scoreboard to include indicators for (better) covering areas particularly important for the fairness of the green transition**

- **improve the assessment of eco-social policy expenditure and to regularly perform assessments of the distributional implications of green transition policies** (e.g., methodology for reporting social expenditure, distributional impact assessment methodology)

- **Integrated eco-social indicators: an EU Just Transition Scoreboard?**

Strengthening the EU just transition framework: elements for a policy and research agenda (9)

#3 Fully exploiting the potential of social and civil dialogue

EGD: the green transition cannot succeed without a broad societal consensus

~ 'Procedural' dimension of social justice: key for effective and responsive governance of a just transition.

Features of the decision-making process as important as outcomes

Strengthening the EU just transition framework: elements for a policy and research agenda (10)

Need to strengthen & use existing structures and develop/ experiment with new structures for dialogue and consultation

EU instruments: Recovery and Resilience plans / Territorial Just Transition plans / Social Climate plans

How to better integrate social and civil dialogue structures (both EU / MS)?

New forms of civil dialogue / citizens' involvement?

- Preferendum
- Deliberative fora
- Deliberative mini-publics

Concluding remarks

- An EU framework for a just transition is emerging
- Its effectiveness and adequacy need to be assessed
- It needs to be significantly developed and strengthened

However, a 'green transition fatigue' is more and more evident…

Thank you for your attention!

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