

# The European Green Deal and the 'Leave No One Behind' principle: state of the art, gaps and ways forward

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# Outline of the presentation

1. Exploring the ‘just transition dimension’ of the EGD
2. The just transition dimension of EGD-related ‘instruments’: key findings
3. Limitations, gaps, and policy implications

# Exploring the ‘just transition dimension’ of the EGD

## Objective of the study

to assess how the ‘leaving no one behind’ (LNOB) has so far been considered in the **implementation** of the EGD, with a view to ensuring a just, green transition

# Exploring the ‘just transition dimension’ of the EGD

Broad understanding of the ‘**just transition**’ dimension’ of the EGD:

We focus on instances in which green transition objectives, concerns or policies and social objectives, concerns, or policies are addressed **simultaneously** (explicitly or implicitly)

More specifically in relation to:

- 1) Addressing **vulnerabilities** related to the green transition
- 2) **Interaction** and **integration** between green transition policies and welfare policies (4 **welfare state functions** in the green transition)

# Exploring the ‘just transition dimension’ of the EGD

## Scope of the research

### 8 EGD macro areas for action + 1 more cross-cutting area

- 1. *Increasing the EU’s climate ambition for 2030 and 2050;*
- 2. *Supplying clean, affordable and secure energy;*
- 3. *Mobilising industry for a clean and circular economy;*
- 4. *Building and renovating in an energy and resource-efficient way;*
- 5. *Accelerating the shift to sustainable and smart mobility;*
- 6. *From ‘Farm to Fork’: designing a fair, healthy and environmentally-friendly food system;*
- 7. *Preserving and restoring ecosystems and biodiversity;*
- 8. *A zero pollution ambition for a toxic-free environment.*
- 9. *Pursuing green finance and investment and ensuring a just transition*



# Exploring the ‘just transition dimension’ of the EGD

## Methodology

Qualitative text analysis of policy documents related to the implementation of the EGD:

- 21 ‘strategic’ documents (by macro area)
- 14 ‘instruments’ adopted by November 2023 (17 documents)

TOT: **38 policy documents**

# The just transition dimension of EGD-related ‘instruments’

## Importance of the objective of achieving a just transition in the selected ‘instruments’

Instrument	Central	Element	Funding (JT)
Recovery and Resilience Facility		○	○
European Climate Law		●	
Just Transition Fund	●		●
Pact for Skills	●		
Council Recommendation on ensuring a fair transition towards climate neutrality	●		
Commission Guidance on the update of NECPs		●	
Green Deal Industrial plan		○	
REPowerEU chapters in RRP		●	○
LULUCF Regulation		○	
‘Enhanced’ Modernisation Fund	●		●
Social Climate Fund	●		●
Revised Energy Efficiency Directive		●	
Commission Recommendation on energy poverty	●		
Revised Renewable Energy Directive		○	

# The just transition dimension of EGD-related 'instruments'

## Vulnerabilities targeted

The vulnerabilities to be addressed are often **vaguely defined**

### i) Vulnerable territories

- JTF and ETS Modernisation Fund more marked territorial focus (+ industrial sectors and workers in those territories)
- Stronger emphasis (and funds) on regions that rely heavily on fossil fuels for energy or on greenhouse gas intensive industries

Other territories considered as particularly vulnerable: outermost regions and islands; rural and remote areas



# The just transition dimension of EGD-related ‘instruments’

## ii) Vulnerable businesses / sectors (variation across instruments)

Emphasis on micro enterprises and Small and Medium-sized enterprises (often in relation to measures to improve energy efficiency)

# The just transition dimension of EGD-related ‘instruments’

## iii) Vulnerable workers

- workers and jobseekers living in vulnerable territories or working in the sectors more exposed to the consequences of the green transition
- Vulnerability is mostly framed in terms of risk of losing their jobs or low employability in a ‘greener’ economy (focus on training, re-skilling and up-skilling.)
- Relatively fewer or more generic references to other type of vulnerabilities (e.g. job quality and occupational health and safety).

# The just transition dimension of EGD-related ‘instruments’

## iv) Vulnerable citizens (besides employment status)

- low and lower-middle income households (with increasing focus on lower-middle income households); vulnerable consumers; vulnerable transport users
- with an emphasis on vulnerabilities related to access to and affordability of energy

## v) People living in poverty (broad definition of poverty)

- most references related to individuals and households experiencing energy poverty
- more recently, increasing emphasis on transport poverty

# The just transition dimension of EGD-related ‘instruments’

## vi) Gender dimension

- some references in almost all the instruments analysed, but often **generic**: the promotion of gender equality and equal opportunities as an objective to be **mainstreamed**

# The just transition dimension of EGD-related ‘instruments’

## Welfare state functions

**i) Benchmarking function** (welfare state principles and rights as a normative benchmark for green transition policies)

- at a general level: references to the **European Pillar of Social Rights**
- Member States asked to **identify and measure** the social and employment consequences (and distributional impact) of green transition policies;
- **Targeting**: **prioritization** of support to the most vulnerable groups of the population when designing and implementing green transition measures: more evident in relation to energy poverty, in the context of the ‘energy efficiency first’ principle of the revised EED

# The just transition dimension of EGD-related ‘instruments’

## ii) Enabling function (direct contribution to green transition objectives)

### a) Social Investment/activation:

- Overarching emphasis on training, re-skilling and up-skilling measures;
- Broader range of active labour market policies mentioned in some instruments (e.g. Pact for Skills; 2022 Council Recommendation on fair transition).

### b) Reducing the environmental footprint of the welfare state:

- references to improving energy efficiency of welfare infrastructure (esp. social housing, hospitals and healthcare facilities, schools);
- ‘Exemplary role of the public sector’ in promoting energy efficiency (revised EED)



# The just transition dimension of EGD-related ‘instruments’

## iii) Consensus building / conflict management function (social and civil dialogue)

- references to the key role to be played by stakeholders and citizens are quite widespread (both **social dialogue** and **civil dialogue/citizens’ participation**)
- Creation of specific fora/ procedures for social dialogue (and/or) civil dialogue at both the EU and national levels
- **Territorial Just Transition plans** and **Social Climate plans** to be defined and implemented through social dialogue and the involvement of key stakeholders

# The just transition dimension of EGD-related ‘instruments’

**iv) Buffering function** (social protection and inclusion schemes/benefits for the green transition)

- Far less developed in our sample of instruments
- Important exception: the **Social Climate Fund** (temporary direct income support to vulnerable households and vulnerable transport users)
- **Increasing attention** to the need to adapt social protection and inclusion systems (incl. benefits) to the green transition and to the consequences of climate change and environmental degradation (**2022 Council Recommendation on a fair transition towards climate neutrality**)



# Limitations, gaps and policy implications

**An EU just transition framework is emerging. However:**

- this framework is still **insufficient** when compared to the magnitude of the challenges ahead (see COM Communication 2040 target)
- Need to **broaden** the EU just transition framework and to make it **more effective**

**It is crucial to address existing limitations and gaps**

# Limitations, gaps and policy implications

## 1. Scope

- **Uneven integration** of the just transition dimension into the implementation of the EGD (across macro areas).
- **Delays in implementation** especially for: 'Farm to Fork', 'Preserving and restoring ecosystems and biodiversity', and 'zero pollution ambition for a toxic-free environment'.

## 2. Mainstreaming and coherence

- The integration of a just transition perspective is **relatively limited in several policy instruments** implementing the EGD (mere reference to the objective, focus on specific issues/target groups).
- A purely '**corrective approach**' (e.g. JTF, SCF) may well be insufficient: better policy design needed to avoid regressive social effects in the first place.

# Limitations, gaps and policy implications

**Policy Implication (PI) 1.** Particular attention should be paid to those *macro areas whose implementation is lagging behind and in which the just transition perspective appears less developed.*

**P.I. 2.** *More systematic and comprehensive ex-ante and ex-post measurements of the distributional and wider socioeconomic impacts of climate and environmental initiatives implementing the EGD (including measurements of the co-benefits of these policies):*

*-further develop the **Distributional Impact Assessment methodology (DIA)** currently being discussed at the EU level in this direction and apply it consistently.*

# Limitations, gaps and policy implications

## 3. Comprehensiveness

- Need to combine targeting with a more systemic approach.
- The link between green transition and welfare policies is still underdeveloped and unbalanced.
- Lack of comprehensive just transition strategies in the **Member States**.

# Limitations, gaps and policy implications

*P.I. 3 It appears crucial to enhance the role of the 2022 Council Recommendation on a fair transition towards climate neutrality in EU policy-making, and to closely monitor its implementation in the Member States.*

*P.I. 4 Further reflection is needed on how to link green transition policies and welfare policies more closely, in particular **social protection and inclusion schemes**;*

*- Innovative and more integrated policy options in this respect should be explored, including through exchanges in EU mutual learning fora (e.g., from a sustainable welfare perspective).*

# Limitations, gaps and policy implications

## 4. Funding

- EU instruments providing funding explicitly for just transition policies are **limited** and deemed as **insufficient** to achieve their stated objectives.
- Doubts about Member States' budgetary room for manoeuvre after the **reform** of EU economic governance.

***P.I. 5** A careful assessment needs to be carried out of the functioning of the existing funds relevant to the just transition (and their integration):*

- *Funding for policies integrating green and social objectives from a just transition perspective should be a **key priority for future EU overarching funding sources** (e.g., if any RRF-like instrument is established in the future).*

# Limitations, gaps and policy implications

## 5. Stakeholders' involvement

- The high ambitions do not match the reality: in the Member States, wide variation in quality, intensity and scope of social and civil dialogue (e.g., Territorial Just Transition plans).

*P.I. 6 Social partners' and stakeholders' involvement should be a key area for the Commission's monitoring of the implementation of just transition policies in the Member States:*

*- implementation of the '2023 Council Recommendation on strengthening social dialogue in the European Union', especially in the context of the green transition;*

*- A 'Directive for Just Transition of the world of work';*

*- Strengthening existing civil dialogue procedures but also experimenting with more innovative participatory methods (e.g., deliberative mini publics).*

# Limitations, gaps and policy implications

## 6. 'Bindingness' on Member States and EU monitoring

- EU instruments relevant to the just transition often provide **recommendations and guidelines to the Member States**, which leave countries considerable freedom as to whether and how to implement just transition policies.
- Hence, **enhanced EU monitoring** is needed.
- The **European Semester** and the **NECPs** emerge as key governance procedures to ensure that a comprehensive just transition approach is implemented by the Member States.
- For better monitoring (and better policies), need for a deeper understanding of 'socio-ecological risks', and for **indicators able to measure these risks in an integrated manner**.



# Limitations, gaps and policy implications

*P.I. 7 To fully integrate a just transition perspective in the European Semester, the knowledge basis of the Semester must be broadened, including the use of more integrated eco-social indicators and broader well-being indicators.*

*P.I. 8 From a procedural point of view, need for enhanced cooperation and exchanges between the EPSCO Council and the ENV Council and their Committees. The possibility of organising regular joint meetings should be explored.*

# Limitations, gaps and policy implications

## 7. Level of ambition

- Relatively low level of ambition and transformative potential of EU just transition policies.
- Proposals have been made for a more ambitious **Social Green Deal**.
- This would require: i) more integrated and innovative ‘eco-social policies’; ii) some re-balancing of EU competences in environmental/climate and social policies.
- **First step:** convergence of green and social EU frameworks.

# Limitations, gaps and policy implications

*P.I. 9 It is important to reflect on how to better align and combine green transition objectives with the principles of the European Pillar of Social Rights:*

- The forthcoming Commission review of the EPSR Action Plan (foreseen in 2025) should pay particular attention to the socio-ecological dimension.*
- A 'revamped' EPSR Action Plan should fully include measures listed in the 2022 Council Recommendation on a fair transition, but it should also explore the possibility of implementing more innovative and integrated 'eco-social policies' (e.g., sustainable welfare perspective, universal basic services).*

# Thank you for your attention!

Feedback/suggestions: [sabato@ose.be](mailto:sabato@ose.be)



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# Further material

## Strategic relevance of the objective of achieving a just transition – by macro-area

Macro-area	Relevance
<i>1. Increasing the EU's climate ambition for 2030 and 2050</i>	●
<i>2. Supplying clean, affordable and secure energy</i>	●
<i>3. Mobilising industry for a clean and circular economy</i>	○
<i>4. Building and renovating in an energy and resource efficient way</i>	●
<i>5. Accelerating the shift to sustainable and smart mobility</i>	●
<i>6. From 'Farm to Fork': designing a fair, healthy and environmentally-friendly food system</i>	●
<i>7. Preserving and restoring ecosystems and biodiversity</i>	○
<i>8. A zero pollution ambition for a toxic-free environment</i>	○
<i>9. Pursuing green finance and investment and ensuring a just transition</i>	●

# Further material

## Vulnerabilities targeted (instruments)

Instrument	People living in poverty	Vulnerable workers	Vulnerable businesses/ sectors	Vulnerable territories	Gender dimension	Other vulnerable categories
Recovery and Resilience Facility	/	/	/	/	/	/
European Climate Law	○	()	()	()		()
Just Transition Fund	○	●	●	●	○	
Pact for Skills		●	●		●	
Council Recommendation on ensuring a fair transition towards climate neutrality	●	●	●	○	●	●
Commission Guidance on the update of NECPs	●	()	()	()	○	●
Green Deal Industrial plan		○	○		○	
REPowerEU chapters in RRP	●		●		()	●
LULUCF Regulation						
'Enhanced' Modernisation Fund	●	○		●		●
Social Climate Fund	●		●	○	○	●
Revised Energy Efficiency Directive	●		○	○		●
Commission Recommendation on energy poverty	●				○	●
Revised Renewable Energy Directive	○					○

# Further material

## Welfare state functions (instruments)

Instrument	Benchmarking	Enabling (social investment/ activation)	Enabling (ecological footprint welfare state)	Buffering	Consensus building/conflict management
Recovery and Resilience Facility	○	○	○		()
European Climate Law	○	○			●
Just Transition Fund	●	●	○		●
Pact for Skills	○	●			●
Council Recommendation on ensuring a fair transition towards climate neutrality	●	●	○	●	●
Commission Guidance on the update of NECPs	●	●	○	○	●
Green Deal Industrial plan	○	●			○
REPowerEU chapters in RRP	●	●			()
LULUCF Regulation	○				
'Enhanced' Modernisation Fund		●			○
Social Climate Fund	●		○	●	●
Revised Energy Efficiency Directive	●		●		●
Commission Recommendation on energy poverty	●	●		○	○
Revised Renewable Energy Directive	○	○	○		●