



EESC public hearing

Advancing the EU's just transition policy framework:
what measures are necessary?

The EU policy framework for a just transition: challenges, opportunities, and way forward

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Introduction & policy context

fair transition in a changing context

Long-term transition (towards 2030/2050 targets):

- 2030 climate target: reduce EU **GHG emissions by 55%** vs 1990 (30% reduction achieved by 2021)
- **“Fit for 55” legislative package** (July/Dec 2021)

Short-term developments (since mid-2021):

- **Energy prices & inflation** since mid-2021, exacerbated by geopolitical developments (war in Ukraine)
- **Labour market** resilience, but increasing labour **and skill shortages**, which could become a real obstacle to the transition
- EU measures since autumn 2021, including **REPowerEU Plan** and **emergency interventions** to ensure energy security and solidarity: **Green Deal Industrial Plan, NZIA**

IPCC and World Inequality Lab:

- “For the first time, **carbon inequality within countries** is larger than between countries.”
- “Without immediate and deep emissions reductions across all sectors, ... the only way out: **“massive social and societal transformations”**”

Fairness challenges in the green transition

Employment, skills, social and distributional aspects

- “Triple dividend” possible with right policies, with a key focus on **job quality, inclusion, skill provision, job-to-job transitions, and equal opportunities**
- **Opportunities for job creation for all skills-type workers**, but **uneven impacts** on employment across sectors and regions – i.e., significant labour reallocation in energy-intensive industries, changing skills requirements for existing and new jobs.
- Significant **labour** shortages in sectors key to the transition (i.e., construction)
 - Population **ageing** can **protract labour & skill shortages** in sectors key to the transition
- **Under-representation of groups** in employment in the green economy; **gender imbalance**
- Workers in energy-intensive industries receive **below-average training**
- **Occupational health and safety (OSH)** challenges in **changing climate**, and in some emerging sectors (circular economy, construction)
- **Energy and transport poverty; regressive effects of measures**

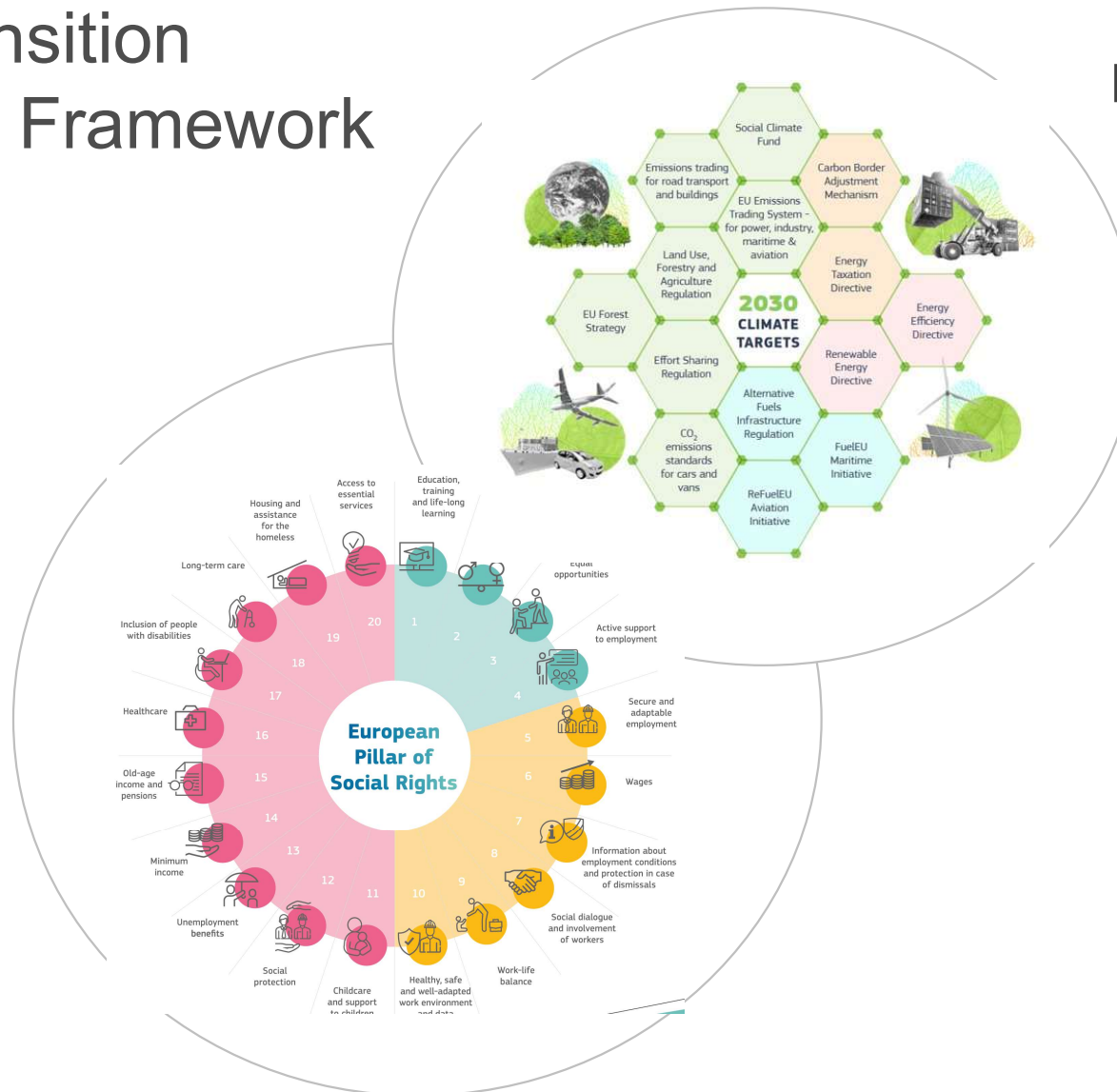
EU policy framework & way forward

Making the green transition just and fair for all

Just Transition Policies Framework

EU's climate and environmental ambition

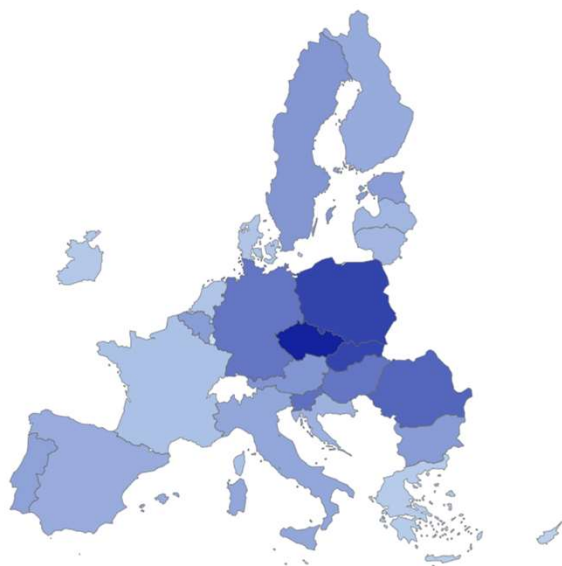
European Pillar of Social Rights



Monitoring in the European Semester

Employment share in energy intensive industries (% of the total workforce) 2019

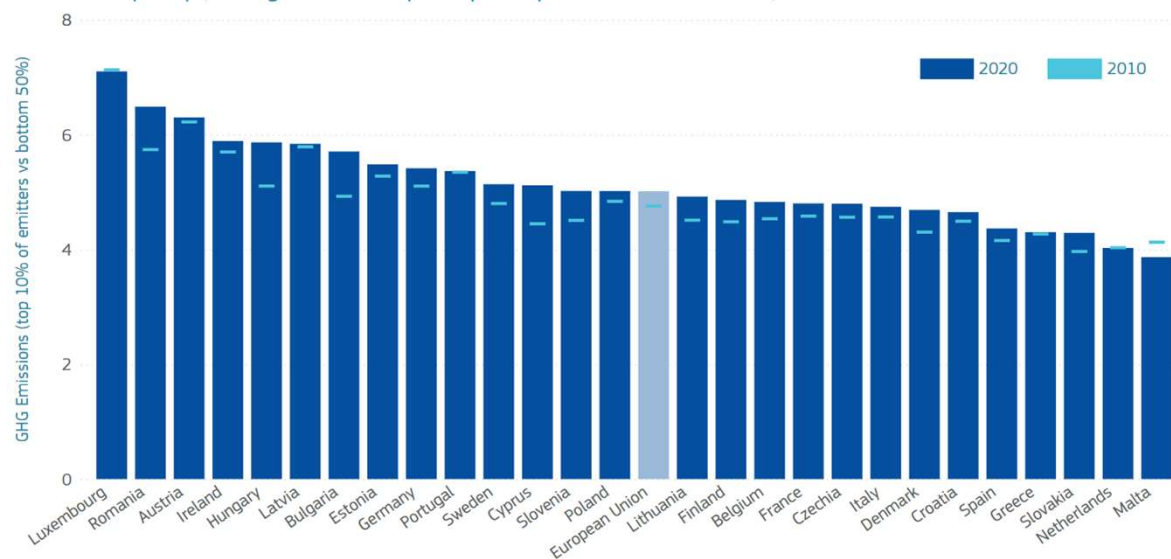
Region	Value
Czechia	6.95 %
Poland	5.79 %
Slovakia	5.75 %
Romania	4.58 %
Slovenia	4.22 %
Hungary	4.05 %
Germany	4.05 %
European Union	3.07 %
Austria	2.96 %
Sweden	2.90 %
Bulgaria	2.72 %
Estonia	2.66 %
Belgium	2.64 %
Portugal	2.49 %
Italy	2.37 %
Finland	2.21 %
Spain	2.16 %
Croatia	1.97 %
Luxembourg	1.88 %
Latvia	1.81 %
Lithuania	1.80 %
France	1.46 %
Netherlands	1.30 %
Denmark	1.30 %
Malta	1.23 %
Ireland	1.17 %
Greece	1.08 %
Cyprus	0.90 %



Energy-Intensive Industries: mining, chemicals, minerals, metals and automotive.

Data sources: Eurostat [nama_10_a64_e](#)

Carbon Inequality (average emissions per capita top 10% vs bottom 50%)



Data sources: [World Inequality Database](#)

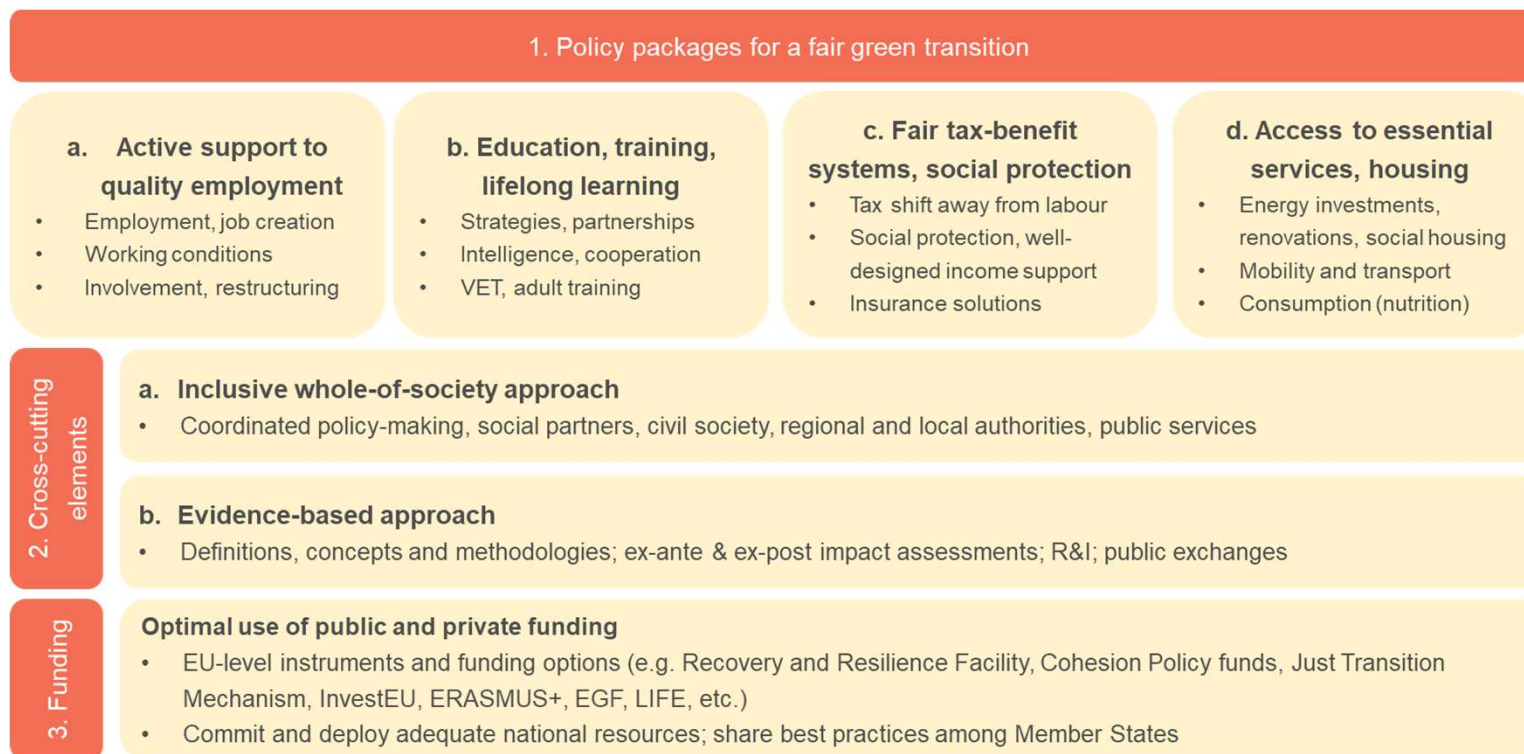
Council Recommendation on ensuring a fair transition *Objectives*

- The Recommendation encourages Member States to:
 - Fully **exploit the benefits** and opportunities associated with the green transition;
 - While **fairly spreading the costs** of tackling and adapting to climate change.
- It delivers on **the objectives of the Green Deal** and contributes to implementing the **European Pillar of Social Rights**.
- It builds on existing **tools** (e.g. Just Transition Mechanism, Recovery and Resilience Facility) and the **ILO Guidelines** for a just transition

Ensuring a fair sharing of costs and benefits of the transition is indispensable to obtain broad support for the European Green Deal among European citizens.

Council Recommendation on ensuring a fair transition

Time for effective implementation and monitoring



Implementation by the Member States and monitoring:

- in the context of the **European Semester**, including **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

Social Climate Fund

- **Purpose:** address the social impacts arising from the new emissions trading system for buildings and road transport
 - Focus on **vulnerable groups**, esp. those affected by energy and/or transport poverty
 - Definitions (and indicators) of energy and **transport poverty**
- **EUR 86.7 billion** (incl. 25% national contributions) during 2026-2032
- **Social Climate Plans** to be submitted by Member States after stakeholder consultations by mid-2025 (incl. milestones and targets)
- **Social Climate Dialogues** with the European Parliament

Social Climate Fund

What measures can be financed?



Support energy efficiency
& renovation of **buildings**,
clean heating & cooling,
renewable energy and
storage



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



Provide temporary
direct income support
to vulnerable households

↓
consistent with reforms and
investments and pending
impacts of investments -
max. 37,5% of the Plans

✓ compliance with do no significant harm
(DNSH) principle

Next steps and outlook

Next steps & outlook

- Ensure the **effective implementation** of agreements at all levels:
 - Council Recommendation on ensuring a fair transition (incl. evidence base, definitions, new instruments); NECPs; Social Climate Fund; Net-Zero Industry Act; ...
 - **Social dialogue initiatives and negotiations**; green collective bargaining
 - **Social Innovations** for fair transitions
 - **European Year of Skills**; skill partnerships
- Promote **just transition commitments and policies** at all levels, including at global level:
 - **European Pillar of Social Rights** Action Plan & follow-up
 - Transition towards a **wellbeing economy** to live well within the planetary boundaries (incl. Beyond GDP scoreboard)
 - COP: **Just Transition Work Programme and Pavilion**

Thank you!

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https://ec.europa.eu/commission/presscorner/detail/en/ip_21_6795

<https://www.consilium.europa.eu/en/press/press-releases/2022/06/16/council-takes-action-to-ensure-green-transition-is-fair-and-inclusive>



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How do Europeans see the green transition?

Expectations, opportunities and concerns

The green transition **should not leave anyone behind**

88%
Total 'Agree'



8%
Total 'Disagree'

4%
Don't know

93% think the **current level of energy prices** for people in their country is a **serious problem**



■ Total 'Serious'

■ Total 'Not serious'

■ Don't know



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

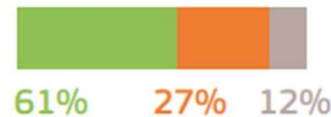
77%
Total 'Agree'



21%
Total 'Disagree'

2%
Don't know

61% think that policies to tackle climate change will **create good quality jobs** (in terms of earnings, job security and quality of the working environment)



■ Total 'Agree'

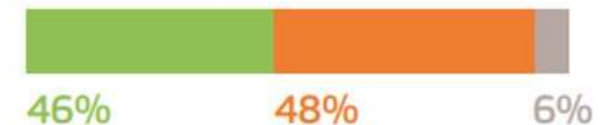
■ Total 'Disagree'

■ Don't know

57% think that policies to fight climate change will **create more new jobs than they will remove**



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



■ Total 'Agree'

■ Total 'Disagree'

■ Don't know

Should **personally do more than what they are doing** to contribute regardless of what others do

72%
Total 'Agree'



25%
Total 'Disagree'

3%
Don't know

How do Europeans see the green transition?

Support for political action

Support for policy actions to advance a fair green transition

■ Total 'In favour'
■ Total 'Opposed'
■ Don't know

