



**BRIEFING
PAPER
#100**

EUROPEAN GREEN DEAL: A STRATEGY FIT FOR A SOCIALLY JUST TRANSITION?

In December 2019, the European Commission unveiled the European Green Deal and committed to reach climate neutrality in Europe by 2050.

Since then, despite the obstacles and damages caused by the global Covid-19 pandemic and the ensuing economic and social crises, the European Union's political will to stay "on track" with the objectives of the European Green Deal has led to a series of important policy developments.

This briefing paper sets out some of the main components of the European Green Deal, with a particular look at its elements that present a stronger social aspect, and outlines SOLIDAR's brief assessment of the overall strategy from this perspective.





INTRODUCTION

Over the past few years, the European Union (EU) took a leading role in coordinating the “greening” of the Union’s economy and the efforts of its Member States to combat climate change and environmental degradation.

The **European Green Deal (EGD)**, which was first presented by the European Commission (EC) in December 2019, is the EU’s primary and most visible instrument aimed at facing the climate and environmental crises. Nevertheless, it is not the only one: the integration of the **Sustainable Development Goals (SDGs)** in the European Semester process,¹ the recently announced review of the EU’s economic governance framework, the “green aspects” of the **European Pillar of Social Rights (EPSR) and its Action Plan**,² all of these (and more) developments are intended to contribute to the overarching aim of achieving net zero greenhouse gas emissions – in other words, climate neutrality – in the EU by 2050, while, at the same time, leaving no one behind. Indeed, one of the EU’s priorities for the coming years is also to improve citizens’ living conditions, promote social inclusion and reduce poverty.

SOLIDAR sees the fight against climate change and environmental degradation and the one for social justice as closely interlinked and mutually reinforcing. To be meaningful and successful, the EU’s policies and initiatives for climate action must also contribute to building fair, inclusive and peaceful societies – through what we call a **“Just Transition”**.

¹ SOLIDAR (2020). *The SDGs and the European Semester*:

https://www.solidar.org/system/downloads/attachments/000/001/241/original/Briefing_Paper_96_SDGs_and_EU_Semester_with_links.pdf?1612949380

² SOLIDAR (2021). *Action Plan on the European Pillar of Social Rights*:

https://www.solidar.org/system/downloads/attachments/000/001/309/original/98_BriefingPaper_ActionPlan.pdf?1617384912

³ European Commission (2021). *A European Green Deal. Striving to be the first climate-neutral continent*:

https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

European Green Deal

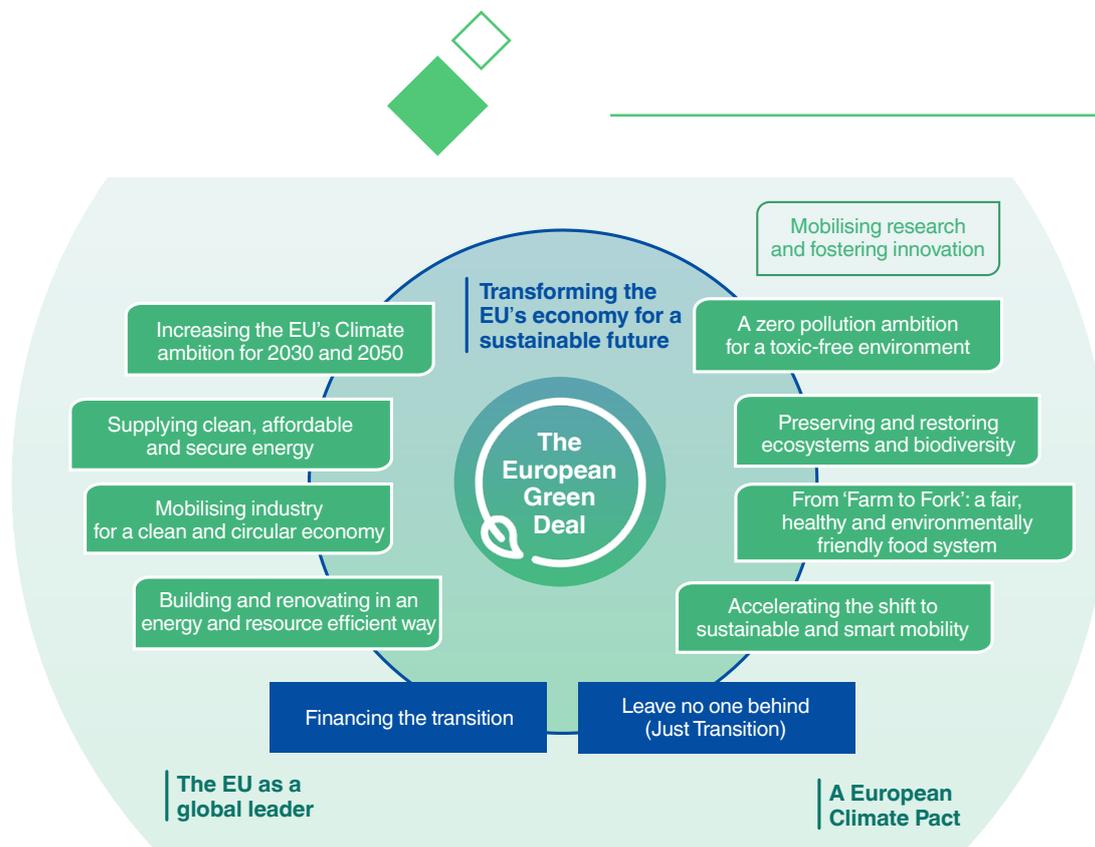
The European Green Deal³ is a strategy that sets out, in broad lines, how the EU aims to become a climate-neutral continent in less than three decades – that is, by shifting the **EU economy to a new, sustainable development path**.

To deliver transformational change, the EGD sets a “blueprint” that covers several sectors, notably mobility, energy, agriculture, buildings, and industries such as steel, cement, ICT, textiles and chemicals. In addition, the EGD aims to safeguard biodiversity and eliminate pollution, outlines investments needed and financing tools available, and, in it, the EU commits to become a **global leader** in the fight against climate change and environmental degradation.

The objectives of the EGD are to be reached mainly by:

- Developing a set of new, transformative EU policies;
- Reviewing existing legislation on their climate merits;
- Mainstreaming sustainability in all EU policies.

Since its launch, the EGD has inspired a “legislative firestorm”. Throughout 2020 and 2021, the EC put forward dozens of proposals: on circular economy (the Circular Economy Action Plan focusing on sustainable resource use), building renovation (the



Various elements of the European Green Deal extracted from the European Commission Communication COM (2019) 640 final 'The European Green Deal',⁴ published on 11.12.2019

Renovation Wave Strategy to improve the energy performance of buildings), biodiversity (the EU Biodiversity Strategy for 2030 to protect natural resources), farming (the Farm to fork strategy to make food systems more sustainable), smart and sustainable transport (the revision of the Regulation on the Trans-European Transport Network) and much more. As such, the EGD is not legally binding for EU Member States, but some of its elements are – in conformity with the different types of EU legislation.

Among the main components of the European Green Deal are:

- **The European Climate Law.**⁵ It is the centerpiece of the EGD, as it enshrines its climate-neutrality objective into EU law. Entered into force in July 2021, this regulation sets the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030 and makes this and the EU-wide common target of net-zero greenhouse gas emissions by 2050 **legally binding** for its Member States.
- **The European Climate Pact.**⁶ Launched in December 2020, it is an EU-wide initiative that aims to engage citizens and all parts of society in climate action. Indeed, the EGD

⁴ European Commission (2019). Communication from the Commission. The European Green Deal: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52019DC0640&from=ET>

⁵ European Commission (2021). European Climate Law: https://ec.europa.eu/clima/eu-action/european-green-deal/european-climate-law_en

⁶ European Commission (2020). The European Climate Pact: empowering citizens to shape a greener Europe: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2323



recognises **active social and civil dialogue** as an essential element to ensure that the transition is successful and accepted by workers and companies.

- The two **Fit for 55 packages “Delivering on the European Green Deal”**. Proposed by the EC in July and December 2021, they contain a wide range of legislative initiatives across various sectors, including energy, transport and buildings, and are intended to put the EU on track to deliver on its 2030 climate target of 55% - hence the title ‘Fit for 55’. Negotiations between the European Parliament and the Council of the EU on the EC’s proposals are taking years and it is reasonable to estimate that negotiators will agree in late 2023.

The EGD is financed through the EU’s seven-year budget, as well as with one third of the 1.8 trillion € investments from the NextGenerationEU Recovery Plan, the EU post-pandemic recovery plan.

A SOCIALLY JUST TRANSITION THROUGH THE EGD?

The EGD recognizes that climate change and environmental degradation affect disadvantaged and poor people disproportionately, and that the shift to a sustainable economy will have an impact on jobs and society at large. Therefore, one of its priorities is that the transition to climate neutrality “must be **just and inclusive**. It must put people first, and pay attention to the regions, industries and workers who will face the greatest challenges”.⁷ Moreover, it specifies that the “**European Pillar of**

Social Rights will guide action in ensuring that no one is left behind”.

According to the EC, the EGD addresses a socially Just Transition from **7 main angles**:

- Intergenerational justice: using natural resources such as coal and oil as if there was no tomorrow is unfair to future generations;
- Justice among Member States: providing more financial resources and support for the green transition to the countries most in need (through, for instance, the Effort Sharing Regulation⁸ and the Modernisation Fund⁹);
- Justice by ensuring that all sectors (power, chemicals, buildings etc.) play their part and contribute to reducing emissions;
- Being fair in the international arena: instead of creating a “green fortress”, which does not import products that are “not green enough”, Europe should be the initiator of a green transition that brings other continents along.

The EC views the **fifth Just Transition dimension** mainly in terms of providing financial support to the regions that depend on fossil fuels or carbon-intensive processes and that are, as a result, most affected by the transition. In January 2020, as part of the EGD, the EC presented the **Just Transition Mechanism (JTM)**, which helps mobilise a total investment of at least **150 billion €** over the period 2021-2027 to support the economic diversification and reconversion of the most vulnerable coal and

⁷ European Commission (2019). Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1576150542719&uri=COM%3A2019%3A640%3AFIN>

⁸ European Commission (2021). Effort sharing 2021-2030: targets and flexibilities: https://ec.europa.eu/clima/eu-action/effort-sharing-member-states-emission-targets/effort-sharing-2021-2030-targets-and-flexibilities_en

⁹ European Commission (2020). Modernisation Fund: https://ec.europa.eu/clima/eu-action/funding-climate-action/modernisation-fund_en#:~:text=The%20Modernisation%20Fund%20is%20a,systems%20and%20improve%20energy%20efficiency.



carbon-intensive regions of the EU. This includes investing in Small and Medium-sized Enterprises, creation of new firms, research and innovation, environmental rehabilitation, clean energy, up- and reskilling of workers, job search assistance and active inclusion of job seekers programmes.¹⁰ A **Just Transition Fund** (JTF) of €17.5 billion was created to provide grants to these regions. To access the funding available, EU Member States are required to produce **Territorial Just Transition Plans** (TJTP), which provide an outline of their transition process until 2030, including development, reskilling and environmental rehabilitation needs.

The **sixth dimension** relates to the concept of “giving people control over their destiny”, listening to them and hearing about their challenges, so that they do not see the transition as a top-down constraint. In addition to the JTM and the TJTPs, the EC created the **Just Transition Platform**,¹¹ a single access point for authorities and beneficiaries to find support and knowledge related to Just Transition.

More recently, the EC added a **seventh dimension** of Just Transition to its policies: **income differences** and the varying capacity of households to finance the green transition. Some of the legislative proposals and initiatives put forward as part of the two **Fit for 55 packages** acknowledge and address income inequality, such as the proposal to recast the Energy Taxation Directive, which would offer possibilities for exempting vulnerable households from higher energy taxes. Above all, the EC proposed to establish a **Social Climate Fund**,¹²

which would help mitigate the effects of energy price increases caused by the introduction of emissions trading (the approach of providing economic incentives for reducing emissions) to the transport and building sectors for those most exposed. The Fund would provide €72.2 billion in current prices for the period 2025-2032 and would offer **support for vulnerable groups** (households, transport users, and micro-enterprises) through, on the one hand, temporary direct payments, and, on the other, long-term investments to increase energy efficiency and renovations of buildings, clean heating and cooling, renewable energy use, and access to zero- and low- emission mobility. The EC proposal is currently undergoing the ordinary legislative procedure and, at the time of writing, is in the hands of the European Parliament and the Council of the EU.

Lastly, in December 2021, the EC published a proposal for a **Council Recommendation**¹³ that lays down further guidance to Member States on how to best address the social and labour aspects of the ecological transition. Member States are encouraged to take measures and actions to support quality employment and job-to-job transitions, equal access to quality education and training, fair tax-benefit and social protection systems, affordable access to essential services and more. The text also stresses the crucial role that civil society, social partners and local authorities should play to define an equitable way forward in the transition. The proposal now needs to be deliberated and agreed on within the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council.

¹⁰ European Commission (2020). Just Transition funding sources:

https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism/just-transition-funding-sources_en

¹¹ European Commission (2021). Just Transition Platform:

https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/finance-and-green-deal/just-transition-mechanism/just-transition-platform_en

¹² European Commission (2021). Social Climate Fund:

https://ec.europa.eu/clima/eu-action/european-green-deal/delivering-european-green-deal/social-climate-fund_en

¹³ European Commission (2021). Commission presents guide for a fair transition towards climate neutrality:

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



SOLIDAR'S POSITION

SOLIDAR understands Just Transition as “the guarantee that the transformation processes and drastic structural adjustments that are needed to meet the climate and environmental emergency are developed and implemented taking the rights and needs of affected communities into consideration”.¹⁴ In this sense, the transition to climate neutrality and environmental sustainability becomes an opportunity to **address and resolve the structural inequalities and injustices** that pervade our societies and that contribute to both causing and worsening the climate and environmental emergency, such as inequalities based on wealth, gender and ethnicity.

To this day, **the EGD has acknowledged some social rights and measures, such as fostering an active civil and social dialogue, reducing energy poverty, renovation of social housing and improving public transport**, but only in a disconnected way and without making clear links between the transition and the need to reduce social injustices. While it is said that the EPSR should act as beacon for the EGD, the links remain essentially superficial and social measures are scarce.

Nevertheless, **SOLIDAR welcomes recent developments** such as the Council Recommendation on ensuring a fair transition towards climate neutrality, as they indicate a growing understanding of Just Transition as a systemic approach impacting all aspects of our lives and societies, and they show a timid yet present vision for the ecological transition to act not just towards the achievement of the climate and

environmental objectives, but also as an instrument to advance social justice across Europe and beyond.

SOLIDAR proposes a non-exhaustive **set of recommendations** related to a socially Just Transition to the EU and its Member States:

1. Adopt a broad understanding of a “Socially Just Transition” as an opportunity to converge the climate and social agendas and as an instrument to reduce social injustices, generate opportunities for the most disadvantaged and improve people’s wellbeing, quality of life and access to rights. Building a sustainable and safe future for all and with all through a socially Just Transition requires transformative systemic change, starting with re-shaping our economies to be more equal and sustainable, creating a world of work that offers decent, quality, decarbonised jobs for all, recognising the role of education in the transition and more.

2. Just Transition should be at the very center of the European Green Deal and of all other EU and national policies and programmes. Ensuring that the transition to climate neutrality is just and fair can act as a solution to the multiple crises that we currently face: the ongoing climate and environmental emergency, the social, health, and economic crises, rising inequality, social exclusion and poverty, the persisting forms of discrimination based on ethnicity, gender, disability, age and other grounds, and the increasing precariousness of work and inadequate working conditions in Europe.

¹⁴ SOLIDAR (2021). SOLIDAR's new Organisational Strategy for 2021-2025 is OUT!: <https://www.solidar.org/en/news/solidars-new-organisational-strategy-for-2021-2025-is-out>



3. Ensure a high degree of policy reciprocity and mutual reinforcement between the EGD and the EPSR. One of the most central ways to make the European Green Deal fairer and just is to tie it to the European Pillar of Social Rights. Each policy and measure should advance one or several of the 20 rights of the Pillar and support the implementation of its Action Plan, and vice versa.

4. The ecological transition has a disproportionate impact on **people in vulnerable situations and those who are systematically disadvantaged:** women, the unemployed and those with low incomes, single parents, the homeless, Roma people, rural and racialised communities, LGBTQI+ people, people with disabilities, young people, the elderly, and people experiencing poverty. They should, therefore, be placed at the centre of the EGD, and all Just Transition strategies and plans, at all levels, must be inclusive and collaborative, embracing diverse thinking and opinions, and must ensure bottom-up governance, cross-sectoral cooperation and meaningful stakeholder participation.

5. The transition can only be just and fair if it is thoroughly planned. **Just Transition strategies, plans, policies and programmes should be developed, adapted, and adopted at all levels,** in all countries and within all sectors. They should be designed and implemented in a meaningful and actionable way, underpinned by clear timelines and milestones, such as clear phase out dates for fossil fuels, and accompanied by social targets related to the EPSR Action Plan, as well as by sizeable funding. The EGD should enable and support them.

6. A Just Transition can only be possible through **civil and social dialogue**, as well as innovative forms of decision making and meaningful citizenship participation. The EGD, as well as national and local policies, should engage all relevant stakeholders in setting Just Transition goals, drafting, monitoring and implementing plans and developing legislation in an institutionalised and impactful way. This includes trade unions, civil society organisations, and public and private sectors locally and nationally, and the process should be open, inclusive, and transparent.

7. The green transition should be based on the realisation that our societies, economies, the environment and the climate are **globally interconnected** and mutually reinforcing. It is fundamental to guarantee that what we plan and do in Europe does not have a negative impact elsewhere, as well as make use of our international standing as a trade and development cooperation partner to foster and support Just Transitions everywhere.

SOLIDAR commits to continuing its work for a Just Transition in Europe and worldwide and encourages all stakeholders to get involved in the fight for fairer and more sustainable societies.

RECOMMENDED READINGS

SOLIDAR, Just Transition Monitor - Mapping the state of Just Transition in the European Union <https://www.solidar.org/en/publications/just-transition-monitor-mapping-the-state-of-just-transition-in-the-european-union>

SOLIDAR, Promoting a Just Transition in Europe and Worldwide: How Civil Society and Trade Unions are Driving the Change <https://www.solidar.org/en/publications/promoting-a-just-transition-in-europe-and-worldwide-how-civil-society-and-trade-unions-are-driving-the-change>

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