



Young Europeans: how to act on the climate crisis?

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Abstract

This paper will focus on the social costs and social acceptance of the policies aiming to combat climate change crisis, focusing on the case of Central and Eastern Europe.

Achieving green targets by 2030 presents a significant challenge and social acceptance for climate action is crucial to success. During the last years, tensions were arising between urban and rural divides and between social groups, as well as between high and low-income groups (exemplified by the "Gilets jaunes" movement), and notably between younger and older generations. This younger generation of climate strikers is pushing established policy-makers to fight climate change and environmental deterioration, being driven by a narrative of sustainability. In the speeches and actions of these young activists, climate action is portrayed as an urgent global imperative to provide a liveable world offering opportunities for future generations. Nevertheless, despite widely shared views on the challenges posed by climate change, public support for climate action is mixed and research finds a strong impact of culture on policy support and complex relations between information, beliefs and public policy opinion formation. Particularly, the transition to a low-carbon, low-waste economy will have bigger social costs in Central and Eastern Europe and the social acceptance of climate action might be more difficult in Central and Eastern Europe because of job losses in coal mining and of already existing social problems. More exactly, job gains in construction, farming and forestry and renewable energy sectors will be partly offset by job losses in areas such as coal mining, oil and gas exploration as well as in energy intensive sectors such as steel and chemicals; Many of these are located in Central and Eastern Europe, often in lower income Member States. In addition, the already difficult socio-economic situations in Central and Eastern Europe and the inequalities between the West and the East raise additional questions concerning the social effects of the climate actions. Research shows that people from lower socio-economic background are more likely to live in more affordable, densely populated city centres with higher traffic concentration, thus suffering a more general exposure to air pollution. A number of local studies confirm that people from weaker socio-economic backgrounds live in areas more exposed to air pollutants.

In this context, while also taking into account the global and European challenges and debates around climate action policies, my paper will focus on the particular situation of Central and Eastern Europe in the process of green transition, climate action and social acceptance of the socio-economic changes brought by the transition towards a climate-neutral economy. In addition, my paper will include political recommendations of actions that could prevent increasing the inequalities between the Member States even more in the context of climate action and green transition. Also, I will take into account what changes will imply this green transition in the skills requirements in Central and Eastern Europe. Since the literature is mostly focused on Western Europe, it is important to also take into account the particularities of this region and the effects of climate actions on the most vulnerable groups and countries.

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The social effects of climate action. The case of Central and Eastern Europe

Introduction

In the current European and international context, climate change policies and the transition towards a climate-neutral economy are deeply connected to the concept of sustainability. The concept of sustainability implies that the economic, social and environmental dimensions coexist and are linked one to the other and implies trying to find a compromise between these different interests and objectives¹. While environmental sustainability, that is often translated into climate action policies, is considered an important part of the concept of sustainability in the broad sense, this isn't the only dimension that should be taken into account in order to frame policies that not only address climate change, but are also inclusive and fair. Therefore, apart from the environmental factors, climate action policies should also take into account the need of respecting workers' rights, fair working conditions, inclusiveness, governance, participation and green growth². Taking into account all these factors in the moment of framing climate policies and strategies is important because both climate change risks and climate change policies are likely to affect to different extents the different regions, social groups, communities and countries within the EU. In spite of this interdependence between the three dimensions (social, economic and environmental) within the concept of sustainability, the literature focused almost exclusively on the environmental sustainability. In order to fill this void in the recent literature, by tackling the transition towards a climate-neutral economy, this paper aims to focus more particularly on the link between social and environmental sustainability on the one hand and on the link between climate policies and social policies, on the second hand.

Achieving green targets by 2030, the transition towards a low-carbon and low-waste economy and the Sustainable Development Goals (SDG)³ are all ambitious projects involving various challenges. Climate change action will trigger important social and employment shifts⁴

¹ European Commission, (2019), Employment and social development in Europe (ESDE) report, chapter 6, <https://op.europa.eu/en/publication-detail/-/publication/747fefa1-d085-11e9-b4bf-01aa75ed71a1/language-en>.

² European Commission, (2019), Employment and social development in Europe (ESDE) report, chapter 5, <https://op.europa.eu/en/publication-detail/-/publication/747fefa1-d085-11e9-b4bf-01aa75ed71a1/language-en>.

³ United Nations Sustainable Development Goals, (2019), <https://sustainabledevelopment.un.org/?menu=1300>.

⁴ OECD, (2017), OECD synthesis: Investing in climate, Investing in growth, <https://www.oecd.org/env/investing-in-climate-investing-in-growth-9789264273528-en.htm>.

that can affect to a largest extent certain social groups and regions. The institutionalist point of view is useful in the analysis of the future transition because it is important to provide the economic and corporate actors with incentives to behave well environmentally and to make environmentally harmful activities more expensive relative to benign ones. Nevertheless, it is also important to take into account the fact that the indirect consequences and externalities are becoming more important today than there were fifty years ago and that the objective of respecting environmental sustainability isn't always in agreement with the target of social sustainability. More exactly, some externalities might be more important from the point of view of the environment and impact to a different extent social issues. Climate change action can have negative social and employment effects on the long-term perspective if it isn't properly managed and if the policy-makers don't think at all the social groups and communities that might be affected by the great scale of the changes brought by the transition towards a climate-neutral economy.

In this broader context, this paper tackles the issue of social acceptance and of social and employment effects of the climate change action. The first part takes into account the current developments concerning climate action in the EU and the particularities of Central and Eastern Europe in what concerns climate action policies. This first part also follows the recent scholarly debates on how to set physical targets in order to increase incentives for addressing climate change, how to manage the accidental effects of climate change, not only the intended ones and how to maximize social benefits from a policy point of view. The second part takes into account the future developments of climate change policies, focusing on the social acceptance of climate action and on the effects of climate policies upon social and employment policies. In addition, the paper will include brief political recommendations of actions that could prevent increasing the inequalities between the Member States even more in the context of climate action and green transition.

Since the implementation of the Paris Agreement largely depend on the domestic level, taking into account domestic socio-economic factors is extremely important for assessing the future efficacy of climate actions and their long-term consequences. Considering all these aspects and tacking into account the fact that the countries in Central and Eastern Europe have been the main opponents to the EU climate and energy policy, this paper focus on the case of Central and Eastern Europe. Since the literature is mostly focused on Western Europe, is important to also take into account the particularities of this region and the effects of climate actions on the most vulnerable social groups and countries. Based on the data that we already

have, this region will probably continue to have a particular path in its transitions towards a climate-neutral economy, in spite of the fact that it is also conditioned by global trends and developments. In our analysis, we start from the general assumption that the efficacy of climate action policies depends on a series of interdependent domestic and international factors such as socio-political, economic, institutional. They also depend on the involvement of interest groups in the transition and on the public opinion and public acceptance of the fact that climate action is an urgent matter and a priority.

1. Current developments in the field of climate policies at the EU, regional and national levels

Policy-making in the field of climate change and environment is a complex issue including various processes and sub-fields, from the target of fighting pollution to the one of decoupling emissions from economic growth. The effects of the policy-making in the field of climate action could be seen only in time and involve various stakeholders having different interests and perspectives, from global corporations to international organisations, local communities and the individuals. Given the seriousness of the climate change challenges and of their global dimension, apart from the a strictly top-down institutional process, climate action policies should also take into account the grassroots perspective. More clearly, during the transition towards a climate-neutral economy both producers and consumers should change their daily habits in order to reduce greenhouse gas emissions. This is why the grassroots perspective and social acceptance of climate action policies are equally important to the institutional top-down policy-making. The comprehensive understanding of the current domestic and European climate policies, of the social acceptance of the climate action policies and of the differences between the perception concerning climate change and the concrete climate action are required in order to guarantee the implementation of the Paris agreement signed in 2016. The EU, together with China and US are responsible for the majority of the global emissions of the greenhouse gas. At the same time, the EU has one of the most ambitious climate objectives. Therefore, the energy and climate policy in the European Union directly impact to a certain extent upon the policy development in all the other countries and continents of the world.

The priorities and strategies of climate action policies in the European Union have passed through important changes during the last years. The idea of putting a price on the effects of pollution and the idea of a carbon-energy tax animated the spirits in the 1990s. Nevertheless,

the concrete implementation of this idea failed to happen due to political and institutional reasons and especially due to the lack of an agreement between different countries of the European Union. Also, imposing new taxes in order to fight climate change was seen as a unpopular measure in a context in which some stakeholders were already criticizing what they perceived as an over-taxation. Although the attempts to frame a coherent climate change policy started in the 1990, they became more coherent and general at the turn of the millennium. In many cases, the lack of agreements and resistance to taxes and environmental regulations prevented imposing new environmental protections. On the other hand, during the last years, there were also stakeholders that accepted or even asked for more stringent environmental regulations⁵. And even when international corporations resisted the introduction of new environmental regulations, they didn't always get what they want and a few environmental regulations were introduced in Europe at the fall of the millennium.

If the emergence of the economic crisis in 2008 shifted focus away from climate change and from the transition to a green economy towards fiscal consolidation and economic recovery, further steps have also been made for climate action policies during and after the economic crisis. The publication of the Energy Union Strategy in 2015 aimed to bring under the same framework previously separated policy goals on decarbonisation, that is the most ambitious and also the most contested target⁶, energy security and energy market integration⁷. Also, the signing of the Paris Agreement in 2016 at the United Nations in New York is considered a new phase in the international climate action. Most importantly, the signing of the Paris agreement marks the first official and coherent attempt to transform the energy system into one less dependent on fossil fuel and to try to open the current energy system to renewable energy. The Paris agreement provides the signing countries with the framework for keeping global warming below 2 degree celsius and trying to limit temperature increase to 1,5 degree celsius. After the Paris agreement, the adoption of the Emission Trading Scheme (ETS) reform and of several pieces of legislation under the 2030 climate and energy framework in 2018 marked positive steps in the direction of European Union integration in the field of climate and energy policy. The most recently, the long-term strategy aiming to achieve carbon-neutrality until 2050 is an

⁵ Vogel, D., (2000), "Environmental Regulation and Economic Integration." *Journal of International Economic Law* 3 (2): 265–279. doi:10.1093/jiel/3.2.265.

⁶ Skjærseth, J. B., (2016), Linking EU climate and energy policies: Policy-making, implementation and reform, *International Environmental Agreements: Politics, Law and Economics*, 16(4), 509–523.

⁷ Szulecki, K., Fischer, S., Gullberg, A. T., & Sartor, O., (2016), Shaping the 'Energy Union': Between national positions and governance innovation in EU energy and climate policy. *Climate Policy*, 16(5), 548–567.

ambitious target. As we will see in what follows, the success in achieving this target at both the EU and domestic levels depends on policy, economic, social, cultural and institutional interdependent factors.

Recently, environmental economics started to draw attention on the link between environmental externalities and climate change policies. More exactly, researchers started to pay attentions to negative environmental externalities, while also raising questions concerning how to control unintended negative externalities that have become more widespread in the last period compared with 50 years ago. In the literature, externalities are considered a product of market failures (in the broad sense). More exactly, the costs of some activities are considered as being ‘externalized’ when they are imposed on another stakeholder without financial and social compensation.³ From a short-term and narrow economic perspective, negative externalities can occur when a third-party stakeholder such as an organisation, an enterprise or an individual suffers financial costs flowing from a transaction between other parties and for which there is no recourse for the third party to cover these financial costs from the transacting parties. Contrary to negative externalities, positive externalities trigger financial benefits for the third party. Nevertheless, it is important to stress the fact that unintended consequences are more reduced in the case of positive externalities compared to the case of negative externalities.

Linking climate policies to environmental externalities can come with additional data and strategies on how to effectively address environmental, climate and social issues. A focus on an externalities perspective can broaden the perspective on climate change policies and environmental regulations. For instance, the concept of externalities draws attention to the importance of public and private incentives, to the public good character of environmental protection and to the role of regulatory actions performed by the state in order to address the problem of environmental degradation. All these aspects are ignored within normative approaches that don’t take into account the role of regulatory actions performed by the state. Contrary to neo-Marxist approaches that attempt to look at effective and positive cases of environmental protection, an externalities perspective looks at effective state regulation from a critical stand point of view and identifies options for many other similar measures. If some researchers try to predict the future environmental improvement and create links between environmental improvements and rising incomes, an externalities perspective tackles the political question of trying to understand why the state can or cannot perform regulatory actions against externalities in a given case, country or region. More exactly, evidence show that imposing environmental regulations is a very context-specific issue. If some researchers

consider that economic growth can make environmental protection unlikely or even impossible, there are many examples of environmental externalities that have been recently regulated and of environmental outcomes that have improved over time even in the developed Western capitalist societies.

Negative externalities can affect both the social and the environmental issues at the same time or in different ways and to different extents. Situations involving the imposition of an externality by one stakeholder on other stakeholders, without the reverse, are basically based on power imbalances. Environmental degradation and climate change entail winners and losers of this degradation and externalities depend on the power of the winners to impose costs on the losers and on the incapacity of the later to react to this unbalanced situation⁹. In what concerns externalities applied in the area of social issues, like in the case of environmental externalities, there are many power imbalances in the vulnerability to externalities and in the capacities to react to these externalities. For instance, for some social groups and individuals, it may be easier to avoid paying some environmental price. Different strategies could be framed by the higher-income categories, such as buying clean water from private providers, paying for expensive residences outside of areas with severe pollution and environmental deterioration¹⁰. These individual strategies can't be followed by lower-income social groups that are less capable to avoid the negative externalities in the same way as do the higher-income social groups and individuals. Activities that benefit to an individual or group and whose benefits exceed the costs to the society as a whole (including future generations) harm society collectively and also entail a problematic, unequal and fair distribution of the costs and benefits. According to certain research in the field of environmental economics, that has long been concerned with the issue of (in)justice¹¹, at the basis of negative externalities lies the idea that some people benefit at the expense of others. This might be one of the reasons why some private stakeholders resist the process of internalisation of externalities. They face the risk of loosing a part of their privileges.

⁸ Dasgupta, S., B. Laplante, H. Wang, and D. Wheeler, (2002), "Confronting the Environmental Kuznets Curve." *Journal of Economic Perspectives*, 16 (1): 147–168. doi:10.1257/0895330027157.

⁹ Boyce, J. K., (1994), "Inequality as a Cause of Environmental Degradation." *Ecological Economics* 11: 169–178. doi:10.1016/0921-8009(94)90198-8.

¹⁰ Torras, M., and J. K. Boyce, (1998), "Income, Inequality, and Pollution: A Reassessment of the Environmental Kuznets Curve." *Ecological Economics* 25: 147–160. doi:10.1016/S0921-8009(97)00177-8..

¹¹ Sandmo, A., (2015), "The Early History of Environmental Economics." *Review of Environmental Economics and Policy* 9 (1): 43–63. doi:10.1093/reep/reu018.

In this broader context, it is a challenge to try to measure and price negative environmental externalities since it is difficult to find a balance between the social, the environmental and the pure economical and growth dimensions. For instance, putting a price on some environmental negative externalities can raise various distributional and social concerns, because they can reduce the incomes of lower income households more than they do in the case of higher income households, even if the later ones could also be affected¹². To more systematically and effectively communicate these financial impacts of pricing externalities, recent research suggests that the different silos existing between the domains of financial reporting and those of sustainability reporting need to be broken down. Breaking down these silos can enable connections between the economic, social, environmental and financial impacts of externalities upon different areas and social groups to be better understood. At the same time, breaking these silos could help preparers of financial reports rely on the elements of externalities information that are currently captured within sustainability reports to articulate the material financial consequences that potentially follow these externalities. Research-based evidence has shown that the implementation of this reporting framework by international corporations has tended to focus on financial value and capital and to marginalize social, climate and environmental factors¹³. If integrated reporting has not been particularly effective in practical terms in breaking down silos between financial and sustainability reporting, other solutions might exist. For instance, development and use of concepts within accounting for externalities may have the potential to help break down these silos by making explicit the connections between financial, social, climate and environmental impacts, while also acknowledging the particularities of each different dimension.

In what concerns environmental externalities, research shows that domestic and international organisations are also prone to risks and costs arising from other organisations' externalities, such as social, environmental or climate change risks¹⁴. Over the recent decades, an increasing proportion of negative external social and environmental impacts have been identified as being connected to organisational decisions that were made based on short-term

¹² Santos, G., and L. Rojey., (2004), "Distributional Impacts of Road Pricing: The Truth Behind the Myth." *Transportation* 31: 21–42.

¹³ Humphrey, C., O'Dwyer, B., and Unerman, J., (2017), "Re-theorizing the configuration of organizational fields: the IIRC and the pursuit of 'Enlightened' corporate reporting, *Accounting and Business Research*", 47(1):30-63. <https://doi.org/10.1080/00014788.2016.1198683>.

¹⁴ TCFD, (2017), *Recommendations of the Task Force on Climate-related Financial Disclosures*. Task Force on Climate-Related Financial Disclosures. Available from: <https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-TCFD-Report-062817.pdf> [Accessed 5 September 2019].

economic factors without taking into account long-term climate, environmental and social consequences¹⁵. These social and environmental negative externalities can have longer term economic impacts both for organisations that took decisions initially only based on short-term economic factors, and for a series of third-party stakeholders indirectly involved in the decisions taken by the concern organisation¹⁶. The positive direction of this development relies in the increasingly awareness of the stakeholders on the unintended negative externalities. Within practice and academic literature, as awareness developed of the variety and potential severity of social and environmental externalities arising from organisational actions and a particular concern with externalities translated into a sub-field of accounting focused on supporting internal management decision-making.

The measuring, counting and reporting of negative environmental, climate and social externalities is a difficult task. Until now, the dominant policy discourse in reporting climate and environmental impacts of negative externalities emphasized the ideal of monetised data¹⁷. Nevertheless, in order to provide relevant monetised data, reliable and usable information about externalities is needed in order to highlight the extent of the market failures in what concerns the social, environmental and climate dimensions and in order to inform stakeholders about how persistent externalities might be addressed. In order to address these aims, conceptual frameworks were used to define qualitative characteristics concerning what financial reporting information should be possessed to make it useful in supporting investors' economic decision-making on how to avoid certain externalities. More research should be conducted on how to identify and measure externalities in physical terms, while also linking each activity and its externalities by direct or indirect measurement. In some cases, governments have this sort of data for their decision-making process and this data can be drawn upon to help calculate entity-

¹⁵ Bebbington, J., Unerman, J., and O'Dwyer, B. eds., (2014), *Sustainability Accounting and Accountability*. 2nd ed. Abingdon: Routledge.

¹⁶ Hopwood, A.G., Unerman, J., and Fries, J. eds., (2010), *Accounting for Sustainability: Practical Insights*. London: Earthscan; O'Dwyer, B. and Unerman, J., 2016. Fostering rigour in accounting for social sustainability. *Accounting, Organizations and Society*, 49, 32–40. doi: 10.1016/j.aos.2015.11.003; TCFD, 2017. *Recommendations of the Task Force on Climate-related Financial Disclosures*. Task Force on Climate-Related Financial Disclosures. Available from: <https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-TCFD-Report-062817.pdf>; Unerman, J. and Chapman, C., 2014. Academic contributions to enhancing accounting for sustainable development. *Accounting, Organizations and Society*, 39 (6), 385–394. doi: 10.1016/j.aos.2014.07.003.

¹⁷ Humphrey, C., O'Dwyer, B., and Unerman, J., (2017), Re-theorizing the configuration of organizational fields: the IIRC and the pursuit of 'Enlightened' corporate reporting. *Accounting and Business Research*, 47 (1), 30–63. doi: 10.1080/00014788.2016.1198683; KPMG, 2017. *The KPMG Survey of Corporate Responsibility Reporting 2017*. October 2017. KPMG International Cooperative. Available from: <https://home.kpmg.com/xx/en/home/insights/2017/10/the-kpmg-survey-of-corporate-responsibility-reporting-2017.html>.

level accounts of externalities. For example, an organisation can use the number of kilowatt hours of electricity it consumes in relation with government published carbon multipliers to estimate how much pollution was emitted to generate the electricity it has used. A strength of some forms of accounting for externalities, therefore, is they seek to attach monetary values to externalities, thus helping their management through adaptation of metric-based techniques developed for managing more conventional economic impacts. Nevertheless, comparable quantification of externalities is problematic because we still don't have clear evidence on which side of the boundary the data is drawn from in order to make strong judgements about measurements and what they might imply. A strength of some forms of accounting for externalities is that they seek to attach monetary values to externalities, thus helping their management through adaptation of metric-based techniques developed for managing more conventional economic impacts. These concerns are explored recent research such as the one conducted by Frame and O'Connor¹⁸.

Measuring externalities in what concerns social issues can have a long-term positive impact upon some activities that are detrimental to social concerns. Even if societal concern may not be at a level where the externalities are considered so detrimental by society in order to be regulated or banned, it may progress to a point where a potential financial impact on the reputation and brand value may be recognized in externalities accounts by some organisations. The importance of the reputation for certain organisations make them create connections between externalities of greenhouse gas emissions and long-term financial consequences¹⁹ and can also change the terms of organisations' social contracts where some stakeholders develop ethical concerns over the social and environmental impacts from greenhouse gas emissions²⁰. As the balance changed, more organisations recognised and acted to reduce or mitigate their greenhouse gas externalities, with forms of quantification helping to ascertain and manage the greenhouse gas emissions from an organisation's different activities. Where externalities cannot be reliably monetised and if the likelihood of financial internalisation is low, one might not expect to see such externalities figures reported in financial reporting. In order to break the silos between the social, the environmental and the economic dimensions, we need to recourse to the

¹⁸ Frame, B. and O'Connor, M., (2011), Integrating valuation and deliberation: the purposes of sustainability assessment. *Environmental Science & Policy*, 14 (1), 1–10. doi:

¹⁹ IPCC, (2014), *Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]*. Geneva: Intergovernmental Panel on Climate Change.

²⁰ Bebbington, J., Unerman, J., and O'Dwyer, B. eds., (2014), *Sustainability Accounting and Accountability*. 2nd ed. Abingdon: Routledge.

concept of sustainability that provides its usefulness also in this case. The UN Sustainable Development Goals have recently provided a framework that has broadened understanding of the nature of these externalities²¹ and that acknowledges the role of externalities in the struggles for framing climate policies.

The countries of Central and Eastern Europe have been often considered as being responsible for blocking the ambitious climate and energy policies of the European Union in its decarbonisation targets. More exactly, in spite of the fact that Europe has made important steps in order to meet its 2020 climate and energy targets, domestic opposition has been an important hindrance. Especially, six countries from Central and Eastern Europe: Poland, Hungary, Slovakia, Czech Republic, Bulgaria, Romania have been considered climate and energy policy laggards opposing the ambitious EU rules and targets in the decarbonisation process of the energy sector²².

While a few studies²³ don't strongly differentiate between the different countries in Central and Eastern Europe and their energy sectors, considering that this countries have similar, or even homologous visions of the EU climate and energy policy, other more recent studies acknowledge important differences within the post-communist region²⁴. Nevertheless, there are still few researched that tackle the national positions towards climate change and climate policies, their evolution over the time and their impact upon EU policies. Recent research provide some relevant data on the importance of the East-West divide in what concerns climate, environmental and energy policies. For instance, Toshkov highlights the emerging differences between the climate policies in Central and Eastern Europe and in Western Europe²⁵. Other studies have shown that the countries in Central and Eastern Europe tended to

²¹ Bebbington, J. and Unerman, J., (2018), Achieving the United Nations Sustainable Development Goals: an enabling role for accounting research. *Accounting, Auditing & Accountability Journal*, 31 (1), 2–24. doi: 10.1108/AAAJ-05-2017-2929.

²² Braun, M., (2014), *Europeanization of environmental policy in the new Europe: Beyond conditionality*. Farnham: Ashgate Publishing.

²³ Četković, S., & Buzogány, A., (2016), Varieties of capitalism and clean energy transitions in the European Union: When renewable energy hits different economic logics. *Climate Policy*, 16(5), 642–657.

²⁴ Buzogány, A., (2017), Illiberal democracy in Hungary: Authoritarian diffusion or domestic causation? *Democratization*, 24(7), 1307–1325; Mišák, M. (2015). The influence of perception on the preferences of the new member states of the European Union: The case of energy policy. *Comparative European Politics*, 13(2), 198–221.

²⁵ Toshkov, D. D., (2017), The impact of the Eastern enlargement on the decision-making capacity of the European Union. *Journal of European Public Policy*, 24(2), 177–196.

oppose stronger regulations, watering down EU climate initiative²⁶ and directly or indirectly triggering or preventing changes in the EU climate and energy agenda²⁷.

The data provided by these recent researches show that it is important to take into account the socio-economic particularities in Central and Eastern Europe in order to understand why the post-communist region has a different perspective on climate change and climate action. Scholarly attempts in the field of political economy²⁸ have been made in order to explain how the political and the economic system of the Central and Eastern Europe countries and their dependence on the foreign capital and transnational corporations that move their activities in CEE, being attracted by the lower labour costs, affect the different perception of these countries in what concerns climate change. In spite of the fact that all the countries situated in Central and Eastern Europe share important similarities, all being dependent on a certain extent on fossil-fuels and on foreign capital, the extent of this generalized dependence is different in each country. More research is needed on the national differences between the way in which different countries in Central and Eastern Europe adapt and frame climate policies. Having more recent data concerning these differences would help us grasp if climate and energy policies in Central and Eastern Europe are path-dependent and they would help us predict the future developments in this fields.

2. Future developments in the field of climate action at the European and regional levels

It is extremely difficult to write about the future developments in the field of climate action policies because of the complexity and (often) the unpredictability of the issue. The main problem is that we still don't have enough data to predict the main challenges involved in the different scenarios of the transition towards a climate-neutral economy and to frame coherent strategies for easing this process for all the communities and the social groups that are more vulnerable in front of the transition. Even if social innovation is considered a priority for the

²⁶ Braun, M, (2014), *Europeanization of environmental policy in the new Europe: Beyond conditionality*. Farnham: Ashgate Publishing.

²⁷ Bocquillon, P., & Dobbels, M., (2014), An elephant on the 13th floor of the Berlaymont? European Council and Commission relations in legislative agenda setting, *Journal of European Public Policy*, 21(1), 20–38.

²⁸ Katzenstein, P. J., (1976), International relations and domestic structures: Foreign economic policies of advanced industrial states. *International Organization*, 30(1), 1–45; Innes, A., (2016), Corporate state capture in open societies: The emergence of corporate brokerage party systems. *East European Politics and Societies*, 30(3), 594–620.

enhancement of the European climate and energy policies²⁹, public and private support in developing research concerning the energy sector has been limited³⁰. This impacts upon the predictability of the future developments in the climate action policies whose developments can't clearly be assessed based on the available data.

Nevertheless, by looking at the recent socio-economic trends in Europe, we can understand how we arrived at the point to think about a climate-neutral economy and we can also partially predict the future developments in the field of climate action policies and their effectiveness. More exactly, a few successive structural socio-economic changes drove Europe towards a low-carbon transition. For instance, the European shift towards the service economy and in some cases, the shift from the „brown sectors” to the „green sectors”, the employment increase in the economic sectors that are relatively low in carbon emissions, the relative shift from materials-based activities towards knowledge activities ease the process towards a low-carbon transition. As part of these socio-economic structural changes, increasing policy interventions that affect greenhouse gas emissions (environmental taxation, emissions trading) and promote investments into low-emissions technologies through loans, subsidies, investment projects will be implemented in the near future. At the same time, the shift from imported fossil fuels to domestically-sourced renewables will improve trade balances on the long-term perspective.

Apart from all the clearly positive aspects involved in the climate change actions and in the attempts to tackle environmental and climate degradation, we have less data on the future impact of the transition towards a climate-neutral economy upon employment and social issues. On the long-term, the effects of the climate change policies upon employment are likely to be positive. For instance, the European Union's 2020 climate and energy targets added around 1% to the labour force in the European Union. Also, the European Commission assesses that the 2050 target for a climate-neutral economy will increase the overall employment in EU³¹. This is confirmed by some trade union movements that support the Paris Agreement and the broad transition towards a climate-neutral economy and highlight that „our jobs depend on our planet”³². Nevertheless, the transition towards a climate-neutral economy is not necessary

²⁹ European Commission, (2016), *Clean Energy for All Europeans*, COM, 860, 30.11.2016.

³⁰ International Energy Agency, (2015), *World Energy Outlook*, <https://www.iea.org/publications/freepublications/publication/WEO2015.pdf>.

³¹ European Commission, (November 2018), “A Clean Planet For All, A European long-term strategic vision for a prosperous, modern, competitive and climate neutral economy”.

³² Montserrat Mir, (2018), Confederal Secretary of the ETUC in advance of the UNFCCC COP24.

inclusive and fair in the absence of compensatory and distributive measures and of targeted social policies. A few recent policy studies have shown that climate change policies might have negative employment and distributional effects³³. The European Commission also acknowledges the fact that the transition towards a climate-neutral economy can possibly have a negative impact upon the field of employment on the short-term, affecting the low-income and disadvantaged groups, while also increasing regional and social inequalities and, potentially, leading to a energy poverty³⁴. At the same time, in the same line, different OECD papers and conferences³⁵ concluded that climate change action will have negative effects upon social groups that already feel marginalized and whose lack of social acceptance of the climate and environmental policies might threaten long-term policy solutions to climate change. The ESDE report (2019) takes into account the fact that achieving carbon-neutrality by 2050 will have an impact upon the employment front. Most probably, we will see a decreasing employment figure in the EU between 2015 and 2050 that, among other factors, is also a reflection of a minor negative shift of employed people within the total labour force³⁶. Another study conducted by the European Commission shows the negative effects of the fact of reducing food waste upon employment starting with from the case study of Poland, Spain and Germany³⁷. While the big winners in terms of employment of the transition towards climate-neutral economy concern workers in the agriculture and consumer goods industries³⁸, job losses in certain sectors such as oil and gas exploitation, coal mining, steel, cement will affect the workers in these sectors that will decline or will be transformed in the near future. These workers will be forced to

³³ For instance, see Breugel (2018), *The distributional effects of climate policies*, <https://bruegel.org/2018/11/distributional-effects-of-climate-policies/>.

³⁴ European Commission (2018), *A Clean Planet for all: A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy*, COM(2018) 773, 28.11.2018.

³⁵ OECD, (2018), *OECD Summary Report: Inclusive Solutions for the Green Transition: Competitiveness, jobs and social dimensions*, http://www.oecd.org/greengrowth/GGSD_2018_Summary%20Report_WEB.pdf.

³⁶ European Commission, (2019), *Employment and social development in Europe* (ESDE) report, chapter 5, <https://op.europa.eu/en/publication-detail/-/publication/747fefa1-d085-11e9-b4bf-01aa75ed71a1/language-en>.

³⁷ Science for environmental economics (2018), *The economic impact of reducing food waste in Germany, Poland and Spain*, http://ec.europa.eu/environment/integration/research/newsalert/pdf/economic_impact_reducing_food_waste_germany_poland_spain_508na2_en.pdf.

³⁸ European Commission, (2019), *Employment and social development in Europe* (ESDE) report, chapter 5, <https://op.europa.eu/en/publication-detail/-/publication/747fefa1-d085-11e9-b4bf-01aa75ed71a1/language-en>.

retrain and gain new skills sometimes completely different from the skills that they had already acquired during their work experience.

Both the risks of the climate change and the effects of the climate actions are likely to affect to a higher extent low-skilled workers, older workers less capable to adapt to great changes and completely new skills and vulnerable low-income social groups³⁹. Research shows that people from lower socio-economic background are more likely to live in more affordable, densely built-up and populated city centres with higher traffic concentration. Therefore, lower-income working classes have higher chances of living in the most exposed to air pollutants areas and of suffering higher exposure to air pollution. Particularly, disadvantaged social groups and ethnic and religious minorities are likely to suffer more from the effects of pollution. We can give the example of Roma ghettos where ethnic minorities are being excluded both socially and environmentally. The case of Pata Rat in Romania, one of the largest waste-related ghetto in Europe, has been for a long time in the attention of journalists, scholars and activists without fundamentally changing the situation of the ghetto. Mainly inhabited by the Roma that were pushed to the periphery of the city and to a unsanitary location, Pata Rat is considered as a typical case of environmental racism⁴⁰ where social and environmental problems interact in order to create double vulnerabilities. Apart from this particular cases, regressive environmental taxes, rising energy bills and mobility costs, expensive healthy consumption choices, regulatory bans of technologies are likely to affect to a greater extent certain groups and increase their vulnerabilities.

The effects of climate change upon employment might imply important labour relocations and resettlements and skills changes. These changes will be felt to different extents in different regions and sectors. One of the biggest challenges is the fact that negative employment and social effects of the climate change policies will strongly effect the countries in Central and Eastern Europe where many regions depend economically on the fossil fuels extraction, on the mining sector and on the energy-intensive industry. Considering the unequal distribution of wealth and wages in EU and the fact that ones of the lowest incomes in the European Union are concentrated in the East of the continent, the current transition towards a

³⁹ European Commission, (2019), Employment and social development in Europe (ESDE) report, chapter 5, <https://op.europa.eu/en/publication-detail/-/publication/747fefa1-d085-11e9-b4bf-01aa75ed71a1/language-en>.

⁴⁰ Elise Mazaud, (August 2019), TREATED LIKE TRASH: HOW ROMA IN ROMANIA ARE FORCED TO LIVE BY CITY DUMPS, *META.EBB*, <https://meta.eeb.org/2019/08/29/treated-like-trash-how-roma-in-romania-are-forced-to-live-by-city-dumps/>.

climate-neutral economy can increase the already existing inequalities between the East and the West of the European continent. A few regions in Central and Eastern Europe depend on the fossil fuel extraction and mining industries and have a high share of employment in these sectors. This is notably the case of Silesia in Poland and of Sud-West Oltenia in Romania. More problems arise when we look at the fact that, according to recent data, the regions with high shares of employment in energy intensive industries have low participation rates of participation of adults in training⁴¹. This fact raises important challenges considering the fact that the workers in these industries are less used to training and therefore, their adaptation to changes will be more difficult. In addition, the difficult socio-economic situations in Central and Eastern Europe raise additional problems concerning the social effects of the climate actions.

Apart from this particular socio-economic context in the post-communist region, there are also other factors that influence and hinder the transition towards a climate-neutral economy and the decarbonisation process in Central and Eastern Europe. Climate and energy policies in the countries of Central and Eastern Europe are influenced by the particular political domestic context. Research shows that Central and Eastern Europe are defined by a lower transparency, higher corruption levels, political clientelism and higher centralisation of the decision-making⁴². All these domestic factors influence the capacity of the post-communist region to adapt to socio-economic changes and to promote low-carbon technologies. The historical examples that we already have show us that socio-technological change is made more difficult in contexts in which domestic clientelism is higher and that endogenous or exogenous pressure should be made⁴³ in these regions in order to ease the transition process. In the case of Central and Eastern Europe, the concentration of authority in the hand of a few political leaders that aren't committed to climate action (Orban in Hungary) and don't see climate change as a political priority discourages future developments in the field and can also trigger institutional resistance to the EU climate agreements and policies. The recent illiberal turn in different countries from Central and Eastern Europe (Hungary, Poland, Romania, Czech Republic) lead

⁴¹ Eurofound, (February 2019), *Future of manufacturing - Energy scenario: Employment implications of the Paris Climate Agreement*, by Lewney, R., Alexandri, E. (Cambridge Econometrics), Storrie, D. (Eurofound) and Antón, J.-I. (University of Salamanca), Eurofound Research Report.

⁴² Innes, A., (2016), Corporate state capture in open societies: The emergence of corporate brokerage party systems. *East European Politics and Societies*, 30(3), 594–620.

⁴³ Lockwood, M., Kuzemko, C., Mitchell, C., & Hoggett, R., (2017), Historical institutionalism and the politics of sustainable energy transitions: A research agenda. *Environment and Planning C: Politics and Space*, 35(2), 312–333.

to an increased tendency towards statism in the climate and energy sectors motivated by the protection of the domestic energy companies.

These regional and domestic factors will possibly influence the social acceptance of climate action policies by the concerned countries. It is important to take into account the way in which domestic socio-political contexts frame the public opinion, since achieving the targets by 2030 and by 2050 largely depend on the social acceptance of climate and energy policies. Recently, tensions are arising and it's very possible that these tensions will continue to arise between the urban and the rural classes, as well as between the low-income and the high-income social groups and between older and younger generations. The recent mobilisation of the „yellow vests movement” (Gilets jaunes) in France shows exactly the dangers of the possible future divides between low-income social groups, on the one hand, that mainly think about their materialist needs and about social policies, expecting a clear intervention from the welfare state and higher-income social groups, a younger generation of climate strikers, on the other hand, that are mainly driven by post-materialist interests and that mobilize for asking affective climate actions. The mobilization of the yellow vest, on the one hand, and the mobilization of the climate strikers, on the other hand, show two conflicting collective actors having different political priorities, different interests and different views on what constitutes an urgency. While the young generation of climate strikers are currently pushing established policy-makers to fight climate change and environmental deterioration, being driven by a narrative of sustainability and considering climate change as an urgent global imperative, the activists of the yellow vest movement consider social inequalities and poverty as urgencies, being concerned with the social effects of environmental measures.

There is still a small number of studies tackling the social acceptance and public opinions on climate action policies in Europe. This void in the literature makes the prediction of future developments harder to frame. In spite of the broad shared views on the urgency and challenges of climate change⁴⁴, the public support for climate action is mixed and not enough documented. Research from Norway show that support for fossil fuels taxation is connected to the perceptions on environmental challenges and urgency and less to the self-interests and direct

⁴⁴ Eurobarometer, (February 2008), *Europeans' attitudes towards climate change*, Fieldwork March – May 2008, https://ec.europa.eu/commfrontoffice/publicopinion/archives/ebs/ebs_300_full_en.pdf.

needs of the population⁴⁵. Nevertheless, we can't know if this applies to all the social categories and communities that will be affected by the transition towards a climate-neutral economy. It is possible that this conclusion better applies to Western wealthier societies and less to the (still) heavily industrialized economies in Central and Eastern Europe. Other research found an important link between culture and support for climate action policies⁴⁶. Unfortunately, there is no recent research on public support and public acceptance of climate action in Central and Eastern Europe and on the particularities of the region in what concerns public opinion. It is hard to predict the future developments in this area in the absence of clear data that could also make clearer the future strategies needed. We know that the countries in Central and Eastern Europe, the region with higher proportion of fossil fuel workers compared to Western Europe, are the most skeptical towards the ambitious targets of a carbon neutrality by 2050, but this skepticism is more often related to the domestic political unrest than to the principles behind climate action policies⁴⁷. It is possible that the new climate policies and the negative social and employment policies that they trigger will lead to important mobilizations among industrial and fossil fuel workers, especially among older workers that rely on the fossil fuel industry and that are less willing or capable to reskilling. The fact that the older generation of workers are familiar with the forms of solidarity built during the former communist system will help them mobilize in the face of the changes related to the transition towards a climate-neutral economy. In order to prevent negative reactions of these workers, the „Just Energy Transition Fund” was proposed by the European Parliament for helping to retrain workers and communities in the coal and carbon-dependent industries or bring support in the form of unemployment benefits for these workers and communities. The ambitious aim of the fund is to provide a just transition from fossil fuels industries to zero-carbon energy by complementing and providing clear synergies between the already existing funds. Nevertheless, critics have already emerged and the €4.8 billion proposed by the European Parliament for the Just Energy Transition Fund are considered insufficient for effectively addressing the social problems that might arise because of changes

⁴⁵ Kallbekken, S., and Sælen, H., (2011), *Public acceptance for environmental taxes: Self-interest, environmental and distributional concerns*, *Energy Policy*, 39(5), 2966–2973. <https://doi.org/10.1016/j.enpol.2011.03.006>.

⁴⁶ Shwom, R., Bidwell, D., Dan, A., and Dietz, T., (2010), *Understanding U.S. public support for domestic climate change policies*, *Global Environmental Change*, 20(3), 472–482. <https://doi.org/10.1016/j.gloenvcha.2010.02.003>

⁴⁷ „18 EU countries now support 2050 carbon neutrality goal”, *Euractiv*, June 2019, <https://www.euractiv.com/section/climate-strategy-2050/news/18-eu-countries-sign-up-to-2050-carbon-neutrality-goal/>.

and the scale of the transition and for ameliorating the lives of the losers of the climate-neutral transition⁴⁸.

This negative impact of climate policies upon certain social groups, sectors and communities emphasize the idea that trade unions should play an important role in the transition towards a climate-neutral economy in order to assure the social acceptance of these changes among the concerned workers. In spite of the fact that the European Trade Union Confederation (ETUC) supports the Paris Agreement and acknowledge the potential of the transition for job creation, it also drew attention on some aspects of the transition and of the climate policies, since “to fully tap this economic potential, investment and policy stability is needed.”⁴⁹ In the absence of effective management and involvement of trade unions, workers in the sectors that will be reduced or radically transformed will react in a negative way to changes that are perceived as threatening their lifestyles. Historical evidence of previous transitions like the one of ending coal mining in the UK during 1980 emphasize the need to manage the changes brought by the transition in advance and the need of long-term strategic plans. Unfortunately, the role of the social dialogue in the transition towards a climate-neutral economy is insufficiently studied until now⁵⁰ and more research should be conducted from a historical and historical economics perspective on the links between the previous economic transitions and the current situation. In what concerns Central and Eastern Europe, the fact that trade unions are often contested and criticized by the workers that they should represent and that many of them are touched by „a legitimacy crisis” or have lost their influence after the privatisation process⁵¹ raise additional question on how the workers in the fossil fuel industries will manage to adapt to the transition towards a climate-neutral economy and on who will represent their interests in these contexts.

From a different point of view, the job creation potential of green economy, especially of the eco-industries in Europe and of the sectors of solar, wind and biomass technology⁵² was

⁴⁸ WWF, (2019), Policy paper, An EU fund for a just transition - what it should be and why it matters, http://awsassets.panda.org/downloads/wwf_aneujustenergytransitionfund_briefinga4_final.pdf.

⁴⁹ ETUC (May 2018), “Involving Trade Unions in Climate Action to Build a Just Transition”.

⁵⁰ For a synthesis of the recent research, see European Commission, (2019), Employment and social development in Europe (ESDE) report, chapter 6, <https://op.europa.eu/en/publication-detail/-/publication/747fefa1-d085-11e9-b4bf-01aa75ed71a1/language-en>.

⁵¹ Varga, M., Freyberg-Inan, A., (2015), Post-communist state measures to thwart organized labor: The case of Romania, *Economic and Industrial Democracy*, 36(4), 677-699.

⁵² CEDEFOP, (2012), European Commission Staff Working Document, Exploiting the employment potential of green growth, <https://www.cedefop.europa.eu/da/news-and-press/news/exploiting-employment-potential-green-growth>.

emphasized in the 2013 and 2014 Growth Annual Surveys and lead to the Green Employment Initiative framed by the European Commission in 2014. Nevertheless, the potential of green jobs for employment and social policies in the EU should be investigated more in detail. We still don't know enough about how to define and how to measure if and how green some sectors and jobs are. At the same time, it's still not that clear what are the limits of green economy and how different sectors will change in the „greening” process. There are few available statistics about the „greenness” of certain sectors and jobs and on the number and type of jobs affected by the transition towards the climate-neutral economy. Therefore, defining the future developments in this field is difficult in the absence of clear and reliable data. Among the few exceptions, we could name the research conducted by Bowen and all⁵³ in 2018 that aims to identify the occupations subject to the „greening” process. We could also take into account the research conducted by Marin and Vona (2018) that analyze the effects of climate change policies upon skills in 15 industrial sectors within 14 European countries⁵⁴. The conclusion of their research suggest that, while climate change policies have a small negative effect upon employment, they favor high-skilled workers against manual workers. The Employment and Social Development in Europe (ESDE)⁵⁵ report also acknowledge the potential of green jobs in the service sector, while highlighting the fact that the public sector has a lower percentage of green jobs, even if positive changes occurred even in this field mostly in the health and social work sector. Nevertheless, certain sectors such as the education sector will be difficult to integrate into the greening process.

Although the potential of green jobs can't be contested on the long-term, on a short term perspective, the transition towards a green economy is likely to have a limited impact upon the total employment levels and to have a negative impact upon income distribution. At the same time, green jobs will more likely benefit high-skilled workers in the renewable energy sectors and in sectors related to circular economy than low-skilled and low-educated workers in the construction and cleaning sectors. The main challenges is how to create and extend green jobs

⁵³ Bowen, A., K. Kuralbayeva and E. L. Tipoe, (2018), *Characterising green employment: The impacts of 'greening' on workforce composition*, Energy Economics, Vol. 72, p. 263-275, <https://doi.org/10.1016/j.eneco.2018.03.015>.

⁵⁴ Marin, G. and Vona, F., (2018), *Climate policies and skill-biased employment dynamics: Evidence from OECD countries*, Sciences Po OFCE Working Paper 23, Paris.

⁵⁵ European Commission (2019), *Employment and social development in Europe (ESDE) report*, <https://op.europa.eu/en/publication-detail/-/publication/747fefaf1-d085-11e9-b4bf-01aa75ed71a1/language-en>.

in isolated and disadvantaged areas and how to reskill low-educated and low-skilled workers in the spirit of green jobs and of green economy. Social acceptance of green jobs is also important in order to create and implement future training programs for acquiring environmental skills. Acquiring new environmental skills depend on the fact if the concerned individuals accept the assumption that climate change is an urgent problem that should be addressed by changing daily habits. Even if, in principle, green jobs could benefit equally all the social groups within a given society because they would provide a cleaner and safer working environment and they could also benefit all skills and employment levels, we still don't have enough data and enough research and policy evidence in order to assess the future development in this field. It is clear that a particular attention should be given to the lower-educated workers in the fossil fuel industries that live in regions that depend on this industry because these workers will need particular support in gaining new environmental skills.

In spite of these difficulties in adapting to a climate-neutral economy in Central and Eastern Europe, we should also take into account some positive recent developments that might become stronger in the future and might ease the process of the transition. For instance, the adoption of the Renewable Energy Directive, the increasing interest in the renewable energy as an alternative to costly coal-based industry in countries like Poland⁵⁶, the lack of important regional coalitions to boycott climate and energy policies in the EU might predict positive developments in the field. The changes in consumption patterns and consumer behavior in areas such as circular economy, transportation (Critical Mass), diet (such as the move towards a plant-base diet, Mondays without meat) are also happening in the countries in Central and Eastern Europe⁵⁷, even if it is important to take into account the fact that these changes are mostly affecting the younger generations. Contrary to the case of middle-class younger generations, lower-waged and lower-educated categories are less capable to adapt to these changing consumption patterns. In spite of these difficulties, recent research show that consumer habits are slowly changing in the region and that these changes are likely to increase in the near future.

⁵⁶ Cetkovic, S., Buzogany, A., (2019), The Political Economy of EU Climate and Energy Policies in Central and Eastern Europe Revisited: Shifting Coalitions and Prospects for Clean Energy Transitions, Politics and Governance (ISSN: 2183–2463), Volume 7, Issue 1, Pages 124–138 DOI: 10.17645/pag.v7i1.1786.

⁵⁷ Rowland M. P., (2018), Millennials Are Driving The Worldwide Shift Away From Meat, *Forbes*, <https://www.forbes.com/sites/michaelpellmanrowland/2018/03/23/millennials-move-away-from-meat/#63eb6741a4a4> (Global data)

While also taking into account the importance of the different domestic contexts and socio-economic paths, some clear initiatives should exist at the level of EU in order to anticipate the social and employment problems that might occur in the transition process. Second, EU initiatives that link environmental sustainability to social sustainability from a policy perspective should exist in order to guarantee that stakeholders will be aware of the fact that apart from the positive impact upon climate and environment, the transition towards climate-neutral economy will also have an impact upon both social and employment dimensions. Since the sustainability goals aim to reconcile the social and the environmental challenges, it is important to refer to these goals throughout the transition process. The social and the environmental dimension are brought together within the context of implementation of some recent EU initiatives. The sustainability goals are particularly used in the case of EU initiatives tackling sustainable finances⁵⁸ and social sustainability proofing in the context of the implementation of the Invest EU Programme. More exactly, the Invest EU Programme aims to contribute to building a sustainable finance system in the European Union which supports the re-orientation of private capital towards social and sustainable investments in accordance with the objectives set out in the Commission Action Plan for Financing Sustainable Growth⁵⁹.

Among the Recent EU initiatives that bring together the challenges of climate change and social issues, we can name the „social sustainability proofing”⁶⁰ initiative that connects the social, environmental and climate dimensions. According to the Commission’s proposal, projects supported by the Invest EU Fund “shall be subject to climate, environment and social sustainability proofing with a view to minimise detrimental impacts and maximize benefits on climate, environmental and social dimension”. The social sustainability proofing initiative ensures that the projects supported by Invest EU do not cause significant harm in any of the three dimensions (environment, climate change and social), while also assuring the objective of economic growth. The European Commission’ proposal anticipates cases in which some projects with positive environmental and climate effects have a negative impact upon the social

⁵⁸ For more details concerning sustainable finance and sustainable growth in the process of the green transition within the European Union, see a recent overview on the struggles to integrate sustainability considerations into its financial policy framework: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/green-finance_en

⁵⁹ Financial Stability, Financial Services and Capital Markets Union, (March 2018), Commission Action Plan on Financial Sustainable Growth, https://ec.europa.eu/info/publications/180308-action-plan-sustainable-growth_en.

⁶⁰ European Commission, (27 June 2019), Study contributing to the preparation of guidance on social sustainability proofing of investment and financing operations under the InvestEU Programme 2021-2027, file:///C:/Users/Utilizator/Desktop/Ex-ante%20publicity%20for%20VT_2019_018.pdf

dimension and establishes the framework for balancing the three dimensions (climate, environment and social). For instance, in the case of the projects that give place to social contestation, promoters should present the consultation activities undertaken with affected stakeholders and should explain effective remedies and solutions for solving the possible social problems linked to the project. At the same time, the projects involving involuntary resettlement and job relocations, the projects that impacts on vulnerable groups and/or European and national cultural heritage will require particular consideration before being accepted in view of protecting the rights of those groups and sites across the beginning and all the implementing phases of the project⁶¹. Directly anticipating the effects of the transition towards a climate-neutral economy upon the job losses in the fossil fuel industries and other concerned industries, the initiative highlight that the projects directly or indirectly linked to re-localisation of industries and involving important job-losses will require careful consideration before being accepted. Other projects should be addressed to palliate negative impacts and contribute effectively to new job creation.

Conclusions

On the first hand, this paper has shown the importance of the domestic socio-economic and political factors in the process of framing climate action policies. The big disparities existing between the economic performances, the collective mentalities and fossil fuels endowments in Western Europe, on the one hand and in Central and Eastern Europe, on the other hand, have contributed to not being able to respect ambitious climate policies at the EU level. Attaining the objectives of reducing energy use and of finding substitutions for imported fossils fuels at the EU scale depend on the fact that both the domestic contexts and national interests of Western Europe and of Central and Eastern Europe will be taken into account in the transition towards a climate-neutral economy.

On the second hand, considering the scale of the transition to a different type of economy and to different consumption patterns, the paper has shown that it is fundamental to put climate policies in relation to social and employment policies. Nevertheless, it is also important to conduct more research on the direct and indirect social costs of clamate change and of climate change policies. The fact that we have little available data doesn't help us frame effective and contextual policies that could take into account the social and environmental dimension and manage the transition. It is also vital to take into consideration social concerns and social

⁶¹ *Idem.*

acceptance when framing climate change policies. Synergies between the environmental, climate and social goals should be created and strengthened in order to assure a fair and inclusive transition to a climate-neutral economy by 2050.

Framing policy recommendations is an important task in a context in which changes are happening really fast and are affecting all the countries, regions, social groups and individuals, even if this happens to different extents. Structural economic and social analysis on the communities and social groups that are the most affected by the transition towards a climate-neutral economy should come before concrete policy actions. The negative social effects of the climate policies and of the transition towards a climate-neutral society could be prevented by anticipating change and thinking in advance about the skill gaps that are possible to occur in the transition, promoting mobility and most importantly, informing and preparing the communities about the transition and important changes that they are going to face in the near future.

While it is important to consider climate action from a long-term perspective, assuring a fair and inclusive transition towards a climate-neutral economy means also taking into account and hearing the voices of the „losers of this transition“. Therefore, policy-makers should take into account the fact that certain regions will have to pass through more important changes related to the transition towards a climate-neutral economy than the rest of Europe. As a direct consequence, policy-makers should give a special attention to the areas having high-carbon industries and having poor economic diversification. These regions are mostly concentrated in the countries in Central and Eastern Europe that are already marked by important wage inequalities and higher social problems and political clientelism compared to Western Europe. Therefore, targeted social and employment policies should follow climate and energy policies and the long-term process of decarbonisation. Understanding the complex interplay between social sustainability, economical sustainability and environmental sustainability is the key for assuring a fairer transition towards a climate-neutral economy and assuring that no region, social group or community is left behind. Managing the transition towards a climate-neutral economy in a just and inclusive manner would imply that the socio-economic and employment changes related to the decarbonisation process would not accentuate the already difficult socio-economic situations in Central and Eastern Europe, the marginalization of certain social categories and would not additionally increase the existing social inequalities between Western Europe and Central and Eastern Europe.

