



**Call for Papers "The European Green Deal: moving to action
Opportunities and challenges for the European citizens"**

**THE EU GREEN DEAL AND THE FUTURE OF THE EUROPEAN LABOUR MARKET: WHICH
CHALLENGES AND OPPORTUNITIES?**

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Executive summary

Europe has the aspiration of becoming the first climate-neutral continent in the World by 2050. This objective is necessary to ensure a sustainable and long-lasting economic and social growth. To reach this target means embracing many opportunities, but also several challenges. Indeed, achieving climate neutrality is a long-term goal with horizontal implications related to all aspects of our societies, including and especially the labour market. How will the future of work look like in a climate-neutral Europe?

The green transition as outlined in the European Green Deal will impact the labour market. On one hand, it will have a positive impact, such as the creation of many new and smart jobs. On the other hand, it engenders also several challenges, such as the need to re-skill and up-skill workers, to create a more digitalised job market, to trigger the transition of entire regions whose production is related to high intensive industries, to adapt social protection systems as well as to prevent disparities in workers' rights, etc. Overall, this transition should be just and fair in order to avoid exclusions and disparities. The European Commission has already deployed tools to support this, such as the Just Transition Mechanism.

This paper wishes to analyse how the European Green Deal will impact the future of the European labour market, by looking at both the challenges and opportunities that it offers.

Social Media summary

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Keywords

#EuropeanGreenDeal, #futureofwork, #labourmarket, #justtransition, #sustainability.

Short bio

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I. Introduction: what is the EU Green Deal and how it is related to the future of work?

The European Green Deal (EGD), released by the European Commission (EC) in December 2019, is the European Union's response to the current climate crisis and environmental challenges. "It is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy". It sets an objective for Europe to become a climate-neutral continent by 2050, for the economy not to depend on polluting raw materials and to protect the natural capital as well as the health and well-being of its citizens. (European Commission, 2019)

At the same time the EGD has a strong social dimension and it clearly states that the transition to a climate-neutral continent in 2050 has to leave no person and no place behind. This means that an incredible effort is needed to make this process fair for all. (European Commission, n.d.)

Despite the outbreak of the COVID-19 crisis, the Green Deal is the policy framework for the upcoming years, as it outlines long-term ambitions that are indispensable for the future European wellbeing. (Audiovisual Service of the European Commission, n.d.)

The outreach of such a political initiative is without precedent: the EU Green Deal has a horizontal approach that influences all the aspects of the European citizens' lives. Therefore, policies and decision-making in all fields are influenced by its mission and targets.

The European Green Deal settles a new social agenda for Europe. Indeed, the transition to a climate-neutral economy will trigger many changes and evolutions in both the European economy and the labour market. (European Parliament, 2020) The Green Deal and the transition it proposes could be a great opportunity to adapt to the future. Nevertheless, the changes that will take place can also exclude a part of the population, create inequalities in rights and social exclusion. Therefore, to make the achievement of the climate objectives beneficial for all, this transition has to be fair and adapted to people's needs. (Schmit, 2020) The transition to sustainability and climate neutrality is not inclusive by default, the social aspect has to be included by political will. "The European Green Deal is going to be just, or there is just not going to be a European Green Deal." (Timmermans, 2021)

The objective of this paper is to analyse which changes the European Green Deal will trigger in the current EU labour market. It will also explore the opportunities and the challenges that the transition will create.

II. State of the art: the current situation of the EU labour market

The current EU labour market has suffered a lot from both the economic crisis of the beginning of the century, from the COVID-19 pandemic effects and other factors, such as the need to adapt to the green and digital transition. Nevertheless, some encouraging figures have to be noticed, as well as the latest positive policy developments.



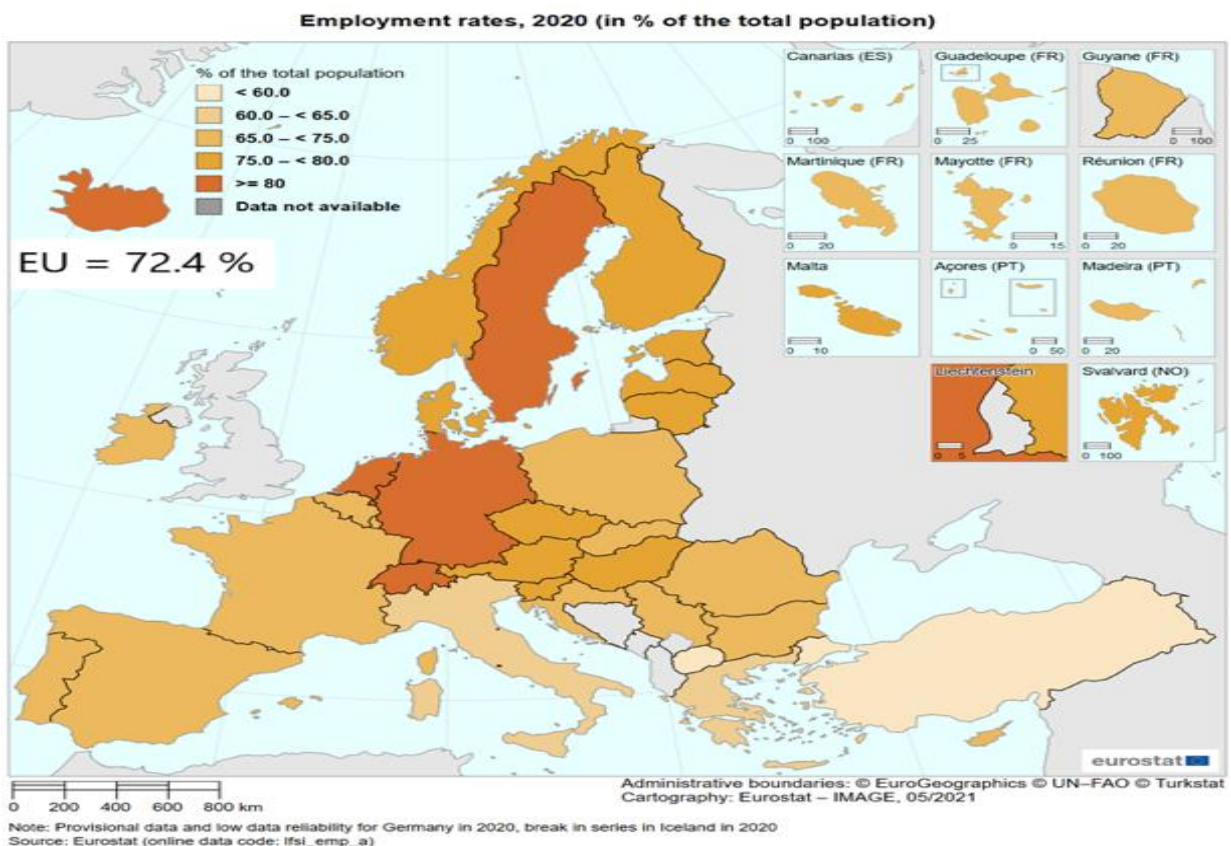
General overview

The European labour market globally presents positive trends in terms of employment, which are nonetheless put at risk by some negative factors.

In the last fifteen years, the employment rate for the total EU population aged 20-64 increased by 5.6 p.p. (from 66.8 % to 72.4 %) and from 2015 to 2018, the employment rate increased each year compared to the previous year. In 2020, the employment rate for people aged 20 to 64, stood at 72.4 %. Statistics also show that a higher level of education is linked to a higher employment rate. Nevertheless, important differences between countries exist, both in the actual employment rates and in their evolution over time. (Eurostat, 2021)

The COVID-19 pandemic had an impact on the labour market, as, after six consecutive years of decrease, the unemployment rate of the 15-74 EU population increased in 2020 in the vast majority of the Member States, reaching 7% of the active population. (Eurostat, 2021) (Eurostat, 2021).

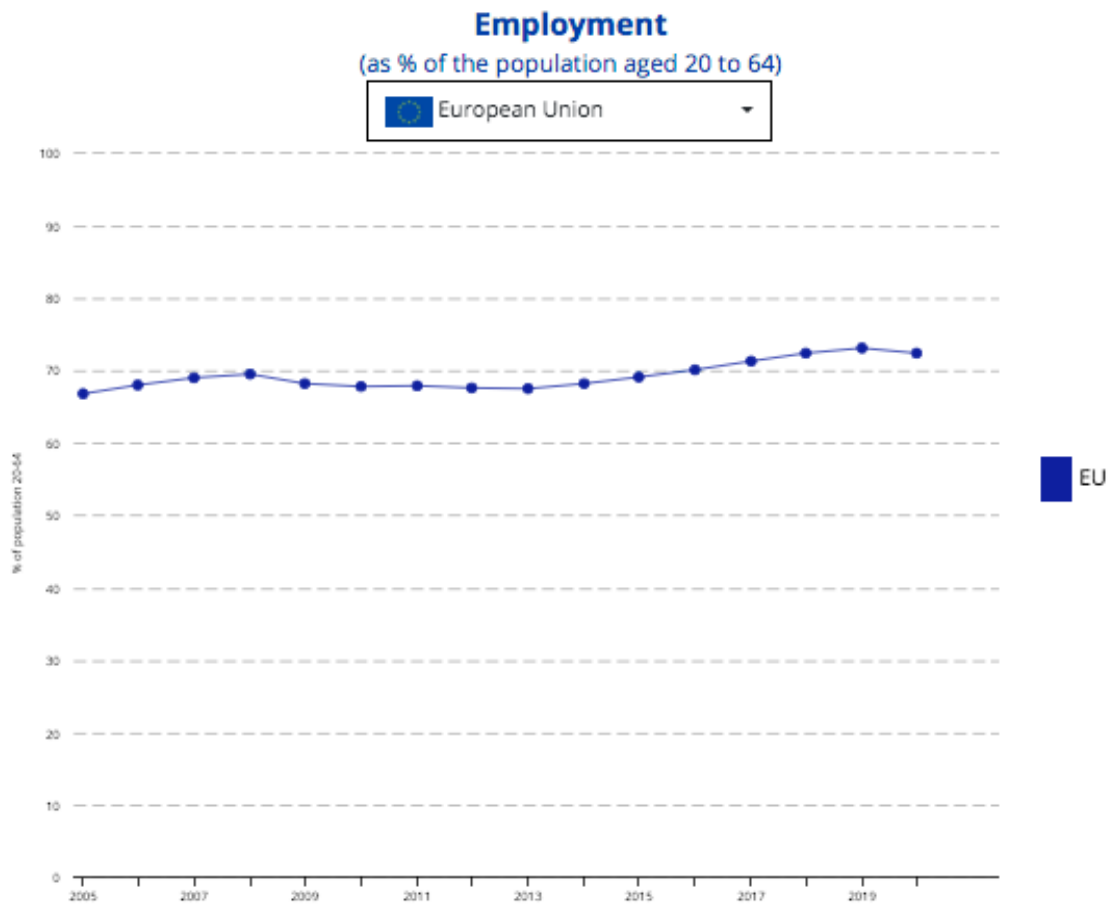
Figure 1. Employment rates, 2020



Source: Eurostat, 2020



Figure 2. Evolution of the EU's employment rate 2005-2020

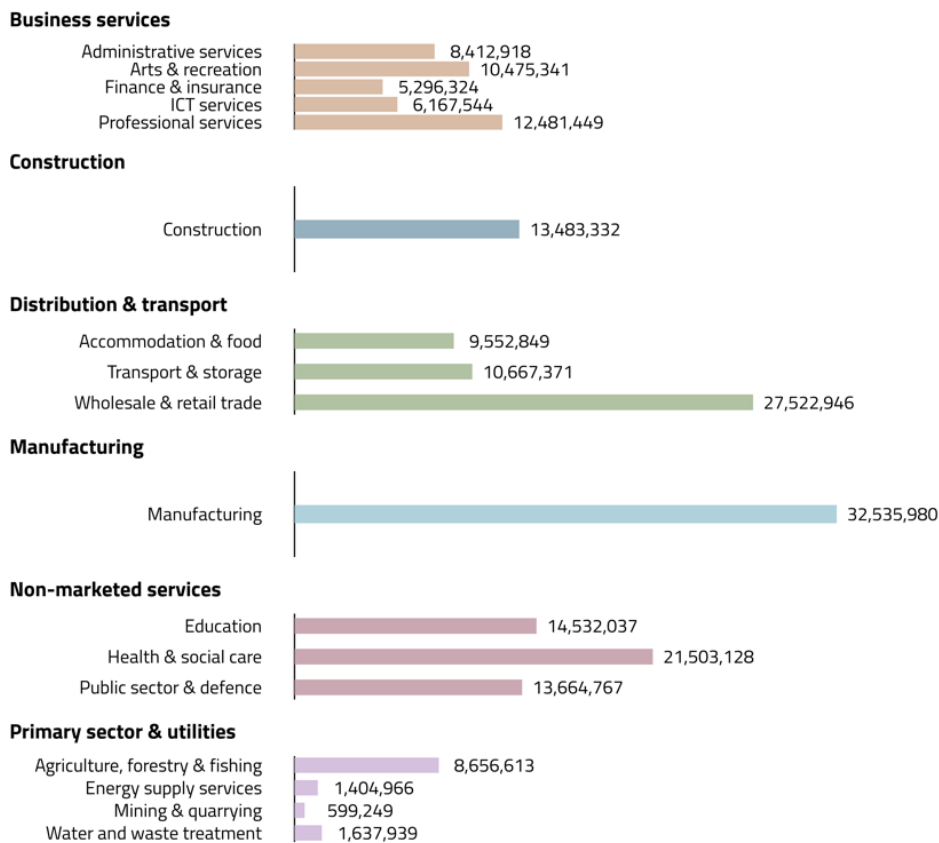


Source: Eurostat, 2021

Moreover, the sectors that dominate the European labour market are among the ones that will need to quickly adapt to the changing economy: manufacturing, wholesale and retail trade, health and social care and constructions. (Statista, 2020)



Figure 3. Illustration of the employed population by occupation and sector



SKILLS PANORAMA

Source: Skills Panorama, 2019

Vulnerable categories

Despite the encouraging employment figures in the EU, some categories remain more vulnerable than others - women, young people and NEETs -and risk being more hit by the transition than others.

For instance, women’s participation in the workforce and their working conditions are still an issue: 67% of women are currently in employment against 79% of men, which leads to a gender employment gap of 12%. Despite women being increasingly well qualified, the gender pay gap (which in the EU has stood at 16 % in the last decade) and the work-life balance are a challenge for their fair participation in the labour force. (European Commission, 2021)

Young people have also faced difficulties. In 2019, an important disparity remains between the employment rates for young people aged 15-24 years (33.4 %) and young people aged 25-29 years



(74.6 %), which varied also according to the level of education.¹ Plus, young people were significantly affected by both the financial and the COVID-19 crisis, with their unemployment rates rising at a faster pace than for the rest of the active population.

The situation of the young people neither in employment nor in education and training (NEET) also remains a factor of concern. (Eurostat, 2019) (Eurofund, 2021)² In 2020, the NEET rate among young people was 16.4%. This phenomenon raises concerns: these people, not being able to enter the labour market nor to continue their education, are an unused resource. Not only they more at risk of poverty and social exclusion, but they may also become a cost for society. (Eurostat, 2021)

Main current challenges and the impact of COVID

Even before the COVID-19 crisis, the EU labour market faced many challenges that created great inequalities and differences among the Member States. The COVID-19 pandemic magnified them. (European Commission, 2019) (Euractive, 2021)

- Unemployment and employment rates vary very much among the Member States, with some countries facing a high rate of unemployment, especially among the vulnerable categories.
- Wages, labour costs and working conditions remained very unbalanced among the Member States, leading to a large number of working populations that struggled to live with their wage. The gender gap is also a large problem in this sense. (Eurostat, 2021)
- Skills mismatch is increasing in Europe, notably skills shortages and overqualification, while other types of skills are on a long-term declining trend (e.g. under qualification). Once again, the situation varies among the Member States. (Thum-Thysen, 2019)
- A constantly and increasingly ageing population risks being at the source of challenges related not only to employment and working conditions, but also to living standards and welfare, in particular related to the sustainability of pensions system and available workforce. (Eurofound, 2021)
- The digitalisation of the labour market risks creating generational gaps, to exclude unskilled people from accessing working positions, to exclude regions that suffer from technological infrastructures shortages and sectors that have difficulties adapting.
- With globalisation, a part of Europe's production fields risk decentralisation, leading to a reduction of workforce.
- The COVID-19 had a great impact on the European labour market aggravating existing problems and gaps. It has created unemployment and increased poverty. In some EU

¹ In 2019, the EU-27 employment rate of young people aged 15-29 years who had completed a tertiary education was more than three times as high as the one of those who had attained no more than primary or lower secondary qualifications: 74.3% against 23.9%.

² The indicator young people neither in employment nor in education and training, abbreviated as NEET, corresponds to the percentage of the population of a given age group and sex who is not employed and not involved in further education or training. (Eurostat, 2019)



regions, economic sectors (such as tourism, culture, leisure, etc) and populations were severely and unevenly hit by the economic downturn. (European Commission, 2021) (European Commission, 2021)

Main European policies related to the labour market

To tackle the above-mentioned challenges, the European Commission has adopted several policy instruments related to the labour market and social policies.

The main policy framework of the last years on social and labour policies has been the European Pillar of Social Rights (EPSR), which, through its twenty key principles, draws the essential points for just and well-functioning labour markets and social protection systems. (European Commission, 2021) Recently, the European Commission has published the EPSR Action Plan that sets out ambitious targets related to employment, skills, and social rights. The plan turns the principle into concrete policy actions, allowing the real delivery and achievement of the objectives identified in the Pillar. (European Commission, 2021)³

In the years following its publication in 2018, the EPSR has served as an engine for new policy initiatives related to the labour market. Of particular interest are the European skills agenda, the Youth employment support (European Commission, 2020) and the EU strategic framework on health and safety at work (European Commission, 2021). These initiatives try to illustrate solutions to some of the main challenges mentioned and to the green transition. Such as the need to upskilling and reskilling the labour force, facilitating the entry of young people into the labour market, ensuring workers' safety and in general to create equal access and opportunities in all the Member States.

III. How the EU Green Deal will impact the labour market

What changes does the EU Green Deal demand?

The EGD demands substantial changes in the European economy, industrial system and labour market: indeed, “shifting the economy from brown to green represents one of the biggest socio-economic transformations ever seen in history”. (Veugelers, 2020) As illustrated in Part II, these efforts are required in a historical moment where the labour market already suffers from some important challenges and from an economy that is recovering from the COVID-19 pandemic. This makes the transition even more very demanding. (Fronteddu, 2020) (Mehtap Akgüç, 2019) (Eurofound and the European Environment Agency, 2021)

To achieve the objectives of the EGD, main changes will affect the EU labour market. First, the creation, and/or the increase of green jobs, meaning decent jobs that contribute to preserve or

³ The European Pillar of Social rights Action Plan states that by 2030: there should be at least 78% of the population aged 20 to 64 should be in employment, at least 60% of all adults should be participating in training every year and that the number of people at risk of poverty or social exclusion should be reduced by at least 15 million.



restore the environment, both in traditional sectors (e.g. manufacturing and construction), or in new green sectors like renewable energy and energy efficiency. (ILO, 2016) Secondly, the working conditions of existing jobs will have to be adapted to the evolvement of the European economy, which will require efforts from both employees and employers. Lastly, for the workforce to be able to answer to the new demand, there will be a great need for “up-skilling” and “reskilling” during the professional life, or simply to include new knowledge at the education level, in particular regarding digital and green skills. This will allow who is already working to continue to do so and to evolve and progress in their career and who enters the labour market to have the required skills to match the offer. (Cinzia Alcidi, 2021)

The cost for the labour market

The impact of the transition required by the EGD will be uneven among economic sectors and EU regions. Indeed, some sectors risk suffering in the upcoming year. In particular, fossil energy supply and energy-intensive industries, but also mining, manufacturing, transport, and construction for instance. The same thing may happen to EU regions that are the most carbon-intensive or with the most people working on carbon intensive industries. The risk is for these regions to be unable to adapt and see a fall in productivity, becoming at risk of economic exclusion.

Main social consequences may derive from the inability of some jobs, sectors and regions to adapt. Especially, the risk of job losses and unemployment, which can result in poverty and social exclusion of many people and in the creation of great disparities among the European Member states, accentuating the already existing ones. Another risk related to employment is the incapacity to develop and adapt skills, leading to an unprepared workforce. Moreover, a challenge also resides in unchanged working conditions and the incapacity of adaptation of social prevention systems, which need to evolve to match the future labour market.

The “just transition”

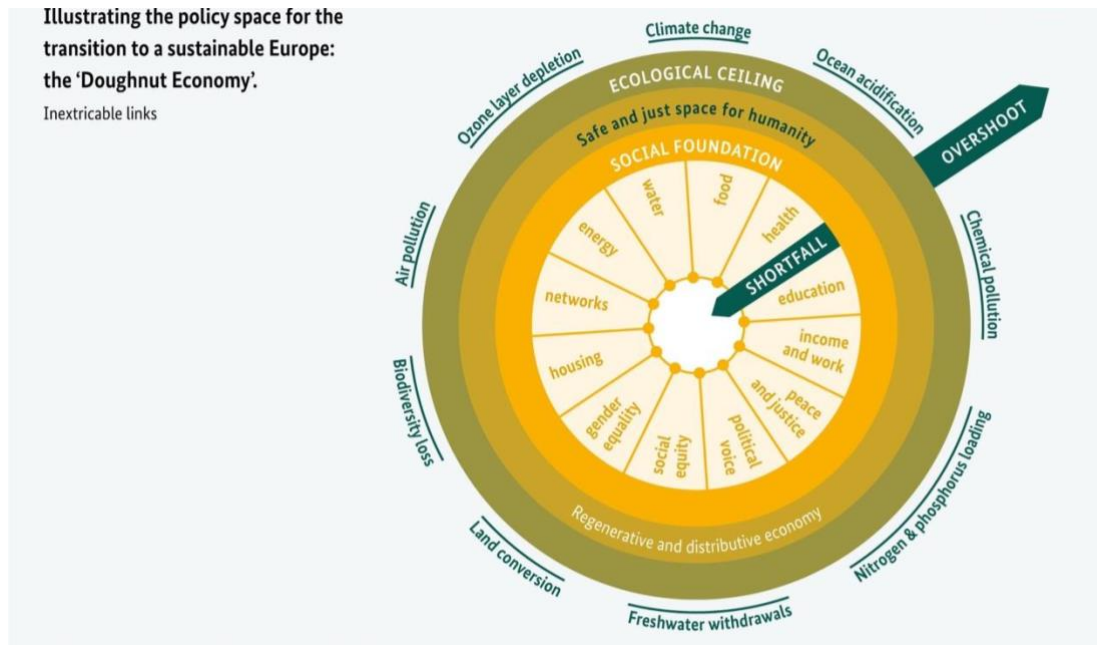
For the above mentioned reasons, the EGD highlights several times the need for a “just transition” which leads to fair and sustainable societies. (European Commission, 2019) (European Union, 2018)

This concept is not new and was already developed by the International Labour Organisation (ILO), which underlined that environmentally sustainable economies need to go hand in hand with inclusivity and fairness. (ILO, 2015) (Bergamaschi, 2020)

Also, in recent years, was developed the concept of doughnut economics, a visual representation for sustainable development showing the interconnection between planetary boundaries and social boundaries. The model wishes to show that only a balance between both factors can be sustainable: “between social and planetary boundaries lies an environmentally safe and socially just space in which humanity can thrive”. (Raworth, n.d.) (Doughnuts Economics Action Lab, n.d.) (Raworth, 2018)



Figure 4. Illustrating the policy space for the transition to a sustainable Europe: the “Doughnut Economy”



Source: EU2020 DE, 2020

Therefore, the “just transition” needs to be defined by policy-makers and can be achieved only via a constant dialogue between workers, trade unions, public authorities and civil society. (ITUC, n.d.) (European Greens, 2020)

These concerns and the need for a just transition are at the core of the European policy agenda and the principal action developed by the European Commission. To cushion the social consequences of the transition, the EC has created the “Just Transition Mechanism” (JTM) and the “Just Transition Fund” (JTF). These instruments are meant to support the sectors and regions that are most vulnerable to change and risk of being strongly impacted by the transformation, because of their dependence on carbon intensive industries. (Fronteddu, 2020) Indeed, sectors and the Member States will not be affected by the transition in the same way and not all possess the capacity to respond. (European Commission, 2021) The JTM tackles both the social and economic efforts of the transition. It will help regions and sectors by providing sources of funding to cover the costs of the transition.⁴ Of course, this political will should also be reflected in the future national policies, in particular in regard to the projection of jobs.

Moreover, several European Commission’s policy initiatives, such as the European Pillar for Social Rights Action Plan and the European Skills Agenda, for instance, aim at promoting this transition as well, reaching for a more inclusive and resilient labour market.

⁴ “Support will be linked to promoting a transition towards low-carbon and climate-resilient activities. It will also strive to protect the citizens and workers most vulnerable to the transition”. (European Commission, 2019)



IV. EU Green Deal and Labour market transition: challenges and opportunities

From the chapters above, it can be deduced that the European labour market is experiencing several changes, including some major challenges: the EGD could aggravate the already existing challenges or apport long-term solutions to these. The following points represent at the same time challenges and opportunities, depending on the efforts and the political will that the EU and the Member States will show. This part has been drafted thanks to the contribution of the interviews with ETUC (European Trade Union Confederation) and the IEEP (Institute for European Environmental Policy), present in the Annexes.

Jobs

The EGD will have a high impact on the European economy. In particular in some sectors that employ an important part of the workforce, and in some regions that heavily rely on non-sustainable resources and that have large vulnerable groups of workers. The risk is to have a massive loss of jobs that may lead to social exclusion and an increase in poverty, which is already a great issue in some parts of the EU. This would be against the fair, sustainable and prosperous societies aimed by the EGD and the SDGs.

Moreover, an important loss of jobs could also accentuate already existing gaps between the Member States, making the European societies even less integrated and equal. The European Union will not be able to reach the goals of the EGD if such huge gaps and disparities exist among the Member States.

Plus, the EGD should be accompanied by social measures to ensure good working conditions are brought to all the sectors and types of enterprises. Some of the sectors that will be heavily hit by the transition are highly unionised, with a good workers' representation and collective agreements. New sectors and new kinds of enterprises do not always have in place information, consultation and representation rights, and working conditions are not always good.

This job loss may also affect an ageing labour force, for which it would be more difficult to be re-allocated in other sectors of the labour market, or vulnerable categories.

At the same time, the EGD offers numerous opportunities for the European labour market, helping to cope with unemployment. The transition to a green economy will ask for the adaptation of many economic sectors and the increase of some kinds of professions, in particular related to the environmental economy that will result in the generation of a great number of new jobs. This will also support the recovery after the COVID-19 pandemic. (EY, 2021) (Foresight, 2020) (Eurostat, 2021) By creating new jobs, re-adapting the existing ones and relocating people from the ones who will disappear, social injustices will be prevented. (EU2020 DE, 2020) (European Commission, 2019)



Skills and education

Nowadays, the EU labour market already suffers from skills mismatch. In the future, the European workforce will have to adapt in order to be able to respond to the demands that the EGD but also digitalisation and the COVID-19 recovery ask for. More and more green and digital skills (both in services and industry sectors), as well as knowledge of the STEM disciplines and ICT, will be required. (EU2020 DE, 2020)

This could pose a challenge for a part of the workforce, especially the ageing and/or low-skilled ones, as well as some rural areas and some economic sectors. The risk of not being able to access the labour market, to grow in it or even to enter it, needs to be tackled in advance. This is why up-skilling, re-skilling, and education prior to entry into the labour market are key. This priority is reflected in both the EDG itself as well as the European Skills Agenda and the Youth Guarantee.⁵

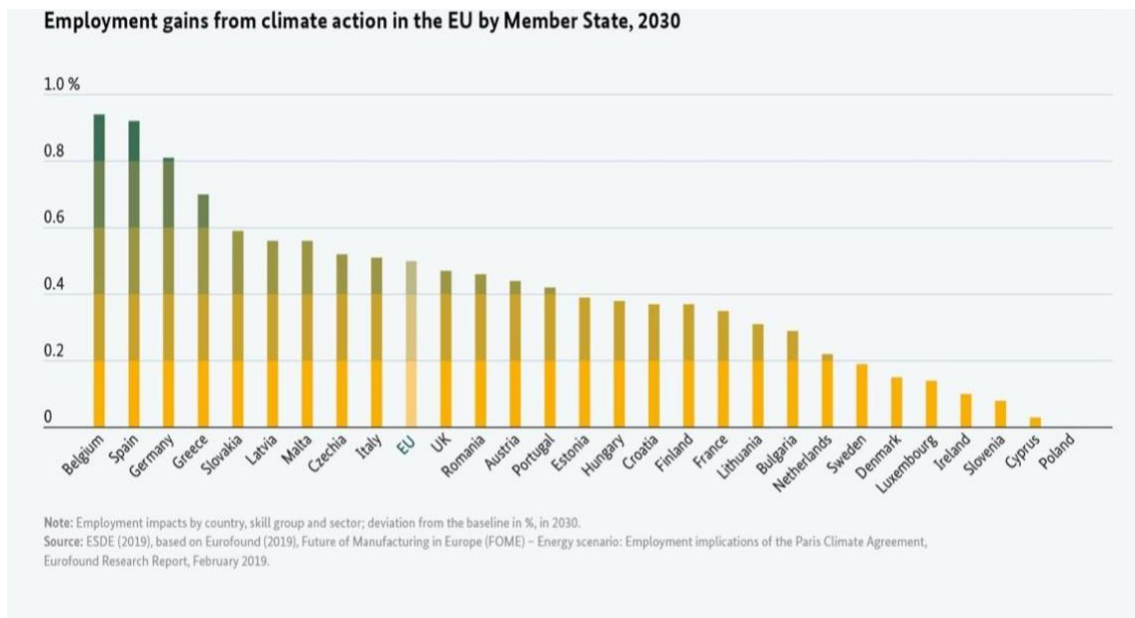
At the same time, both up-skilling and reskilling can create opportunities for the existing workforce (through vocational education and training) allowing many people not only to keep their jobs but also to progress in their careers. Moreover, the need for the skills that will be more and more required in the future will beneficiate vulnerable categories such as young people, who generally have an aptitude for the skills that the transition requires. Plus, potentially, new skills and jobs will be more compatible with work-life balance, which will allow a further inclusion of some vulnerable categories, including women, in the labour market, benefiting like this the existing gender gap. (European Commission, 2020)

The EGD also offers the opportunity to reform education systems, and to include from the very early age the development of such skills and in general an awareness toward sustainability and climate. This will then be reflected in the preparation of the future workforce, proposing solutions to the above-mentioned vulnerable categories – youth and NEETs.

⁵ “Pro-active re-skilling and upskilling are necessary to reap the benefits of the ecological transition. The proposed European Social Fund+ will play an important role in helping Europe’s workforce to acquire the skills they need to transfer from declining sectors to growing sectors and to adapt to new processes. The Skills Agenda and the Youth Guarantee will be updated to enhance employability in the green economy.” Paragraph 2.2.4. Activating education and training of the European Green Deal.



Figure 5. Employment gains from climate action in the EU by Member State, 2030



Source: EU2020 DE, 2020

Social protection systems

The EGD risks aggravating existing challenges related to the labour market, in particular unemployment and social exclusion of vulnerable groups. This is why social protection systems need to evolve and be adapted to the new challenges and needs of the citizens.⁶ Plus, social care systems are heavily impacted by climate change and environmental challenges, more and more frequent in the last years, and need to be more responsive and inclusive (EASPD, 2020)

Therefore, the adaptation of the social protection system to the new needs of the labour markets and of the green transition will be a massive effort, both at the European and national and local levels. Nevertheless, the EGD offers the opportunity to cope with this challenge in advance and in a coordinated way.⁷

⁶ By social protection systems we mean “systems are designed to provide protection against the risks and needs associated with: unemployment, parental responsibilities, sickness and healthcare, invalidity, loss of a spouse or parent, old age, housing, and social exclusion.” (European Commission, n.d.)

⁷ In Annex 1, a conversation with ETUC, in relation to this topic, Félix Mailleux stated that “Some key aspects are working conditions, minimum wage, minimum income and pensions. For example, the minimum wage could be a way to ensure that new jobs created in new industries offer decent wages. Another example is early pensions schemes: these could be a last resort solution for some workers that are too old to re-train or at the end of their career and won’t be able to manage the change. The healthcare systems are also important for the future challenges that climate change will bring.”



Rights and social dialogue

With the implementation of the EDG, the labour market and work will change radically. There is no contradiction between social justice and economic growth if social rights and workers' rights are adapted. For this to happen, the design of future policies regarding work should be inclusive and participative: policies and rights should be designed and implemented with the collaboration of Member States and local authorities, but also with workers and employers' representatives and actors from the civil society.

More than ever social dialogue has a double fundamental role: assuring that everybody's rights in the labour market are respected and that workers and citizens accept the new transition policies. (ETUC, 2019) (Euractive, 2021) (Timmermans, 2021)

Sustainability

Adapting the labour market to the needs of the EGD will be an incredible work at all levels to adapt to the transition. If climate policies are perceived as unfair or not progressive there is a risk of lack of support from the citizens and workers. The success of the EDG depends on the political support that it gets.

On the other hand, by transforming jobs, institutions and rights, the labour market will become sustainable in the long term, more inclusive and prevent the creation of inequalities both among the Member States and categories.

Plus, thanks to the transition, we will be able to tackle consequences of climate change that impact the world of work (floods, rising temperatures, the sea level, etc.) and issues related to health and safety.

Moreover, by achieving the transition and strengthening the labour market, the EU will become even more competitive and attractive in the global arena, while at the same time building really inclusive societies. This will not only set the examples also for other countries and major international actors but also prevent future labour market risks related to globalisation.

Not to mention that it will permit us to contribute to the achievements of the climate objectives and the Sustainable Development Goals.

V. Conclusions and policy recommendations

Jobs, skills and education, social protection systems, rights and sustainability: these items represent both challenges and opportunities related to the transition affecting the European labour market required by the EGD. The factor deciding if these will become challenges or opportunities is the political will and commitment of EU institutions, Member States and national authorities. While the European Commission has already clearly set its will to achieve the objectives of the EGD by promoting a fair transition, only future actions will show if all these points will become



opportunities and not challenges. The support of the Member States, local authorities but also the role of the civil society is a decisive support in this sense.

Below are listed some policies recommendations that the European institutions, in particular the European Commission, may implement to make the transition fair and create opportunities in the labour market:

- Further raise awareness about the importance of the social foundation in reaching the climate neutrality objectives.
- Promote acceptance of the transition among workers and citizens, as only with their contribution climate neutrality will be achieved.
- Assure the effectiveness of the JTM and in particular of the JTF, by constant monitoring and direct contact with the Member States.
- Redesign of education systems, in order to promote from the very early age skills that will be needed in the future labour market.
- In line with the EPSR Action plan, promote training and VET that will allow workers to get new skills to face the future evolutions of the labour market and people to enter and/or re-enter the labour market.
- Protect vulnerable groups that will be the most impacted by the transition.
- Further promote social dialogue when designing policies that will impact the labour market, evolution of social protection systems and social rights.
- New rights for a new labour market: promote the design of new rights related to the labour market, in particular, access to employment, working conditions, work-life balance, protection and information, consultation and participation rights.
- Support Member States in the transformation of social protection systems, by providing direct support to the public administrations.
- Further raise awareness at the global level about the impact that the green transition will have on the labour market and find aligned solutions with international actors and organisations.

A last thanking note is given to the European Trade Union Confederation and Institute for European Environmental Policy for their contribution to this paper.



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Annex 1. A conversation with ETUC - European Trade Union Confederation

Interview with Félix Maillieux, Advisor at ETUC

1. Which do you think are the main challenges related to the adaptation of the labour market to the European Green Deal needs? (disappearing, creation and adaptation of jobs, protection of vulnerable groups, including young generations, etc?)

We can identify six main challenges related to the adaptation of the labour market to the European Green Deal needs:

- Geographical dimension. Very often policymakers talk about the fact that the transition will create more jobs than the ones that will be lost. This is true, nevertheless, the jobs that will be created will not coincide with the ones that will be lost in other sectors. Some regions will benefit a lot from the transition, such as those that are already very advanced on the deployment of renewable energy, production of green steel, etc. At the same time, some regions will suffer a lot more from the transition. In particular the coal regions and many Eastern European countries, specifically with regards to the transition from combustion engines to electric vehicles. This is why solidarity between regions will be much needed, for instance with a common budget or transfer of funds.
- Skills. The current skills of the workforce do not automatically coincide with the ones needed from the transition. If we take once again the example of the coal regions, it is not always possible to re-skills the workforce (for instance from mining to windmill technician or ICT) in a short period of time.
- Working conditions. It is not guaranteed that the working conditions will be as good as the current ones. Especially if we think about the energy sector or energy-intensive industries: these sectors are highly unionised, with usually a good workers' representation and over the years have managed to negotiate good collective agreements. This is not yet always the case in other new sectors, such as renewable energy, where we see more small and medium-sized companies that do not always have this kind of representation and tradition of social dialogue. Another example is the construction sector: the renovation wave is expected to create many local jobs which are good, but at the moment the working conditions in this sector are very low, often characterized by low wages, zero-hour contracts, harsh working conditions... Therefore, the European Green Deal should be accompanied by ambitious social measures to ensure good working conditions are brought to all the sectors and types of enterprises.
- Climate policy (such as the carbon taxes and carbon prices) can have strong regressive distributional effects. This is less related to the labour transition but has a strong social justice element in it. It will affect more low-income households and therefore there is the need to take care of the more progressivity of these kinds of measures.
- The climate change consequences themselves will impact the world of work (floods, rising temperatures, the sea level, etc.) and this will have a consequence on most of the



sectors and most of the workers. This is already a challenge, and it will become even a more important one in the future. Indeed, it can create many issues related to health and safety. In this sense, adaptation policies will be needed, and social dialogue will play a crucial role.

- A final challenge comes from within the society: if the climate policies are perceived as unfair or not progressive there is a risk of lack of support from the citizens and workers. This challenge shouldn't be underestimated, because the success of the EDG depends on the political support that it gets.

2. Which do you think are the main opportunities that the EGD offers to the labour market? (Creation of new jobs, more opportunities for young generations, modernization and sustainability of the labour market...?)

In the long term, the impact of the EGD on the labour market and the transition will be in general very beneficial. The climate transition aims at creating more jobs than the ones it will destroy: this is an opportunity. But it is an opportunity only if those are quality jobs and if this transition is fair for all.

The EGD gives the opportunity to improve the working conditions and the quality of the jobs, also in terms of health and safety. For instance, nowadays jobs in mining and coal are relatively well paid, compared to other sectors, but have harsh health and safety working conditions, affecting workers' health in the long term. The transition can be a chance to improve those working conditions as new sectors would probably be less dangerous for the health of workers.

Moreover, the EGD could bring new market opportunities and new competitive positions for European companies: energy efficiency, circular economy, can make companies more competitive while reducing their impact on the environment.

Last but not least, for younger workers, this could give more sense to their work. Not only will they have more opportunities in the new sectors, but it will be an opportunity also for brown industries to become more attractive to the eyes of young workers.

To conclude, in the long term, reaching climate neutrality is an opportunity for everyone as there are no jobs on a dead planet and if we don't act, everyone will suffer, especially the most vulnerable. This should be the most important part of the narrative.

3. How can participation be part of the solution?

The concept of just transition, that as Trade Union we promote, is that the output is as important as the process. If just transition plans are developed without the workers, there will then be a lack of political and social acceptance.

It is key to have the workers involved through social dialogue and collective bargaining. They bring on the ground knowledge and social considerations that high-level policymakers and companies may not get from their side.

Also, by involving the workers in the design of the transitions and of its implementation, its acceptance will increase, and awareness will be raised. This is a crucial element if the transition wants to be effective.



Therefore, of course, having a collective draft of the transition will take more time, but it will be much more effective.

4. Nowadays, is social dialogue enough part of the solution? What can be done at European, national and local level to further promote social dialogue in the framework of the adaptation of the labour market to the needs of the EGD?

At the EU level, ETUC interacts with the public authorities, industrial associations, etc., nevertheless the social dialogue could be further improved.

For instance, the role of bodies such as the European Work Council could be strengthened.

ETUC also proposed at the beginning of the EDG, to set up a tripartite body to discuss the social and economic aspects of the Deal. This was not taken on board, but ETUC believes that it could be a good idea as it would allow having a stronger, formal and regular social dialogue.

At the national level, it is a mix. Some countries have a strong culture of social dialogue. Germany is a very good example: the “Coal Commission” issued a plan to phase out coal that was agreed with all parties. It is a good example of how trade unions and employers can work together. Similarly, in Spain, there was the “Plan del Carbon”.

Nevertheless, in some countries, such as some Eastern European ones, there is a lack of culture on social dialogue and such dialogue simply doesn’t happen. This is problematic.

ETUC would appreciate the Commission to strengthen the just transition framework and the rights of workers to information, consultation and participation. A stronger recommendation from the Commission to those Member States to strengthen social dialogue would be very beneficial.

It is important also to not only consider social dialogue at the national level. When talking about transition and adaptation to climate change, a lot needs to be done at the regional, sectoral and local level. It is really important to develop these kinds of frameworks at all different levels, which would add a new layer of knowledge and fairness.

In this sense, the European Union has some leverage. A good example is the Just Transition Fund: the local authorities have to develop plans to benefit from the fund. To develop those plans, the EC can put some conditions, such as social dialogue. The EC can then monitor the process and put pressure on the local authorities in case they don’t do so.

It is a matter of social ambition at the EU level. The EGD should be matched with a “social deal” that tackles the social dimension.

5. Which are the most urgent adaptations/changes social protection systems need to face to cope with the current challenges and upcoming changes of the labour market?

The EGD and the EPSR are interconnected: they are thought and developed together. Many elements of the EPSR apply to the EGD and can make the transition smoother.

Some key aspects are working conditions, minimum wage, minimum income and pensions. For example, the minimum wage could be a way to ensure that new jobs created in new industries offer decent wages. Another example is early pensions schemes: these could be a last resort



solution for some workers that are too old to re-train or at the end of their carrier and won't be able to manage the change. The healthcare systems are also important for the future challenges that climate change will bring.

A last important aspect is fiscal redistribution. The topic of the shift from labour taxation to environmental taxation is discussed nowadays. We think there should be a shift from labour taxation to capital taxation, and environmental taxation could complement incentivising people. But the main objective of environmental taxation is not to raise revenues. This is not yet part of the EGD and it is worrying: environmental taxation is much more regressive than labour taxation. Plus, if environmental taxation works well by 2050, we shouldn't have any more revenues and it would be much more difficult to tax.



Annex 2. A conversation with IEEP - Institute for European Environmental Policy

Interview with Thorfinn Stainforth - Policy Analyst, Low Carbon & Circular Economy at IEEP

1. Which do you think are the main challenges related to the adaptation of the labour market to the European Green Deal needs? (disappearing, creation and adaptation of jobs, protection of vulnerable groups, including young generations, etc?)
Disruption to existing carbon intensive industries such as cars, steel, cement, chemicals, that will need significant efforts to adapt. Also, another challenge is for coal and oil extraction regions. Potentially, challenges will be present also in intensive agriculture and tourism industries, but it will depend on the shape of green policies.
2. Which do you think are the main opportunities that the EGD offers to the labour market? (Creation of new jobs, more opportunities for young generations, modernization and sustainability of the labour marker, etc.?)
There could be jobs in new technologies if the EU seizes the opportunities to develop them. Moreover, the innovation brought by the EGD cannot be neglected. New models of agricultural employment are also important – same in pesticides – and should be retrained to a more knowledge-based model.
3. Skills for jobs. What can be done at the local level to support the up-skilling and reskilling of the workforce? How to provide the skills needed to young generations before their entrance in the job market (traineeships, reform of education systems, etc.)?
There are significant bottlenecks at local and regional level in terms of skills needed. Local and regional governments should invest in technical training for new technologies as appropriate in their regions.
4. Which are the most urgent adaptations/changes social protection systems need to face to cope with the current challenges and upcoming changes of the labour market?
As a priority, we need to provide retraining for people in fossil fuel industries. We also need to provide adapted social security schemes for those that won't be able to transition. There is a need to coordinate the transition at a community level to provide adequate transition for whole communities.
5. What would you recommend as the main priority to address to a EU-level policy maker?
The Just Transition Mechanism needs to be funded better and extended to more sectors (potentially tourism, agriculture, cars, etc.). Furthermore, skills provision needs to be made a



priority, as well as innovation in new technologies. Local ownership of renewable energy should also be a high priority, as it is a proven better source of local investment and jobs than if it is owned outside the region. Finally, energy communities are an important key to further enable across the EU.