

A TRANSITION THAT WORKS FOR ALL THE PEOPLE



Contents

Executive Summary	2
A Just Transition requires a new social contract: the Green & Social Deal	4
1. Laying the socio-economic foundations essential to a truly just ecological transition	7
Making the economy serve the people and the planet, not the other way round	9
The obsession with GDP growth is an obstacle to a Just Transition	9
The coordination of fiscal and economic policy in the EU must be reformed to prioritise social and environmental sustainability and solidarity over GDP growth	10
A Just Transition requires a tax shift from wage- to wealth-based contributions to reduce inequality and incentives for long term investment in a sustainable real economy	14
A Just Transition requires an immediate shift of subsidies from supporting polluters to helping the most vulnerable benefit from the transition	16
The transition must deliver millions of new jobs that are not just “green” but decent	17
Proactive and constructive involvement of social partners, stakeholders and citizens is key to a Just Transition	18
Just Transition Plans at every level	20
Internalisation of value and supply chains to maximise local benefits	21
Public procurement to support development of sustainable products	21
The Just Transition is part of broader Environmental Justice	22
The Just Transition does not stop at the EU’s borders	23
Aarhus+ : An enforceable “Do no significant social harm” principle	25
Promoting gender equality and the inclusion of vulnerable groups	26
Digital technologies are a tool to achieve our goals, not an end in itself	28
2. Using the ecological transition to promote social and economic justice	30
Overview of the key steps in the ecological transformation	31
What needs to be changed in the energy sector?	31
What needs to be changed in agriculture and fisheries?	32
What needs to be changed in transport?	34
A Just Transition and the cost of living	36
A Just Transition and its impact on work and income	44
The ecological transition and its impact on personal choice, lifestyle & leisure	50

Executive Summary



We in the Greens EFA Group in the European Parliament firmly believe that **a transition to ecological sustainability must go hand in hand with social justice**, as they are not only vital to human prosperity, but complement and reinforce one another.

To that end, we aim to expand the European Green Deal. In addition to environmental commitments and objectives, we demand that it also covers social commitments to make the economic transition work for, and not in spite of, each and every person in Europe.

To meet this millennial challenge, we take inspiration from one of Europe's biggest success stories: the social welfare state and the social contract that underpins it. This contract has been broken by an ecologically ruinous and overly financialised approach to economic policy.

In its place, we propose **a true EU Green and Social Deal** with a new and equitable social contract that would make **achieving the primary aim of the EU - "... to promote peace, its values and the well-being of its peoples" its highest priority.**

Our political goal is to translate this new social contract into **a binding commitment of the EU institutions and Member States to ensuring that all policies respect planetary boundaries and an upward convergence towards a minimum level of well-being** for people throughout the Union.

This paper explains in detail which areas need change and what needs to be done. It is composed of two parts. On the one hand, we flesh out **how the ecological transition can be used to bring about social and economic justice**: on energy, agriculture, transport and more.

As we are conscious of the fact that environmental policy changes alone will not deliver on social justice, the paper also focuses on the **key socio-economic changes that are indispensable for a Green and Social Deal**. They are the bedrock of well-being for all.

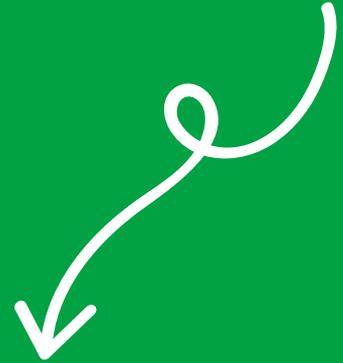
To make the economy serve the people and the planet instead of the other way round, we will need to abandon our obsession with GDP growth. Consequently, EU fiscal and economic policy needs reform in order to prioritise social and environmental sustainability.

We then argue that the Just Transition requires a tax shift from wages to wealth. We also advocate for the right incentives needed for long term investments in the real economy. The post-pandemic response of the EU showed that so much can be achieved when decision makers act in solidarity, but we still have a long way to go.

We dedicate attention to the need to quickly shift the massive amount of subsidies going to big polluters towards the most vulnerable groups and the industries that need it most. We also argue that new jobs should be more than green: they should be decent, well-paid jobs.

To make these societal shifts, proactive and constructive involvement of social partners, stakeholders and citizens is essential. They should be governed by Just Transition plans at every level, with maximisation of local benefits and optimal use of public procurement.

Finally, we make the case that **the Just Transition we fight for does not stop at the EU's borders**, that it serves a broader agenda of **global environmental justice** including gender equality and vulnerable groups, and that our environmental and democratic rights are actually enforceable.



A just transition requires a new social contract: the Green & Social Deal



For the Greens/EFA Group in the European Parliament, a **truly Just Transition** is one that **fully exploits the historic opportunity for reducing social and economic inequalities** that must be seized now as we undertake the **necessary transformation of our societies to environmental sustainability**.

As part of the political movement that proposed the Green New Deal decades ago we have always recognised that **environmental and social justice cannot be separated** and that the **existing economic model is the biggest obstacle to both**.

Climate change, environmental pollution and collapsing ecosystems are already undermining the livelihoods of the most vulnerable and without a **rapid global transition to a sustainable mode of production and consumption**, stable societies and the very existence of humans are severely threatened.

Achieving that transition in a socially sustainable way is not possible, however, without a **radical reform of the current socio-economic model** that effectively treats people and the planet as “factors of production” and perpetual economic growth as an end in itself, regardless of the negative consequences, not only for the environment we depend on, but for the equitable distribution of wealth and the mechanisms for social solidarity that are essential for stable and harmonious societies.

The transition **offers enormous benefits** and we must ensure those who have been left behind by the existing socio-economic system are **first in line to reap the potential of the transition** to eradicate energy, mobility and food poverty, revitalise agriculture and fisheries, regenerate territories and communities affected by carbon-intensive activities, reduce disparities between the levels of development of urban and rural areas, the various regions especially the least favoured regions, improve health and leisure and provide safe, meaningful and quality jobs, notably for the young and for those trapped by lack of political foresight in fossil-dependent industries.

The ecological transition will require also substantial effort across society but we must **ensure it is the wealthiest and biggest polluters that contribute the lion’s share** and that the **most vulnerable are protected**.

Over the past decades, the income and wealth of the poorest have stagnated and they have been the hardest hit in every major crisis - the financial crash of 2008, the eurozone crisis it triggered, the Coronavirus pandemic and now the energy and broader cost of living crisis further exacerbated by Putin’s war on Ukraine.

At the same time the wealth of the richest has increased enormously, even getting a boost from each crisis.

Only if those left behind by the current socio-economic system believe the transition will work for them do we have a chance of making it a success rather than fueling the anxieties played on by populists left and right.

Existing inequalities mean that the biggest beneficiaries of the current system, who are also the most responsible for overconsumption of planetary resources, can afford the heat pumps, electric cars and solar panels, while those already left behind cannot.

This understandably creates **concern about the implementation of ecological policies**, made worse by poorly thought out measures that have been proposed by some governments with little regard for the socio-economic situation of the people most impacted. Too often, social policies are absent or an afterthought. At best, they are merely damage control: dampening the impact without addressing the existing social vulnerabilities.

People need and deserve the reassurance that public authorities have a credible plan to guide and support them through the necessary transition, in less than a generation, in a way that not only delivers environmental sustainability but also constructively involves them, fairly distributes the effort and the benefits and actually reduces inequalities.

We welcome that many **Member States are committing** to concrete climate and other environmental objectives and that the **Green Deal** has put the **transition at the centre of EU policy making**. We also welcome that the EU has endorsed, in principle, the **European Pillar of Social Rights** and, more recently, the **2050 objective of a Wellbeing Economy**, an important paradigm shift towards an economy that puts the wellbeing of people and planet at the heart of decision-making¹.

However, we must recognise that, today, not only do existing environmental targets, commitments and policies still **fall short of the science**², but a credible EU-wide, social and economic framework essential to making the transition work for, and not in spite of, the people, is almost **completely absent**. Instead we see an inadequate and uncoordinated patchwork of ad hoc, marginal initiatives at national and EU level that do nothing to reassure people the transition can be made to work for them. Even worse: a growing number of studies show that, too often, environmental policies have actually increased inequalities. This is not what we stand for.

To meet this millennial challenge, the Greens/EFA Group takes inspiration from one of Europe's biggest success stories: the **social welfare state**. This welfare state was originally underpinned by a **social contract** in which the spoils of economic growth are equitably distributed according to each of our needs and each of our means.

That social contract has been broken, in actual fact and in the perception of people, by the surrender over four decades to a GDP-growth focused, financialised, "markets know best" dogma that has delivered massive increases in inequality and stagnating or declining real incomes for large sections of society.

That is why we need a true **EU Green and Social Deal: a new and equitable social contract based on policies coordinated and integrated at all levels**, that delivers environmental, social and economic justice.

This must take the form of a **binding commitment of the EU institutions and Member States** - ultimately written into the Treaties on which the Union is founded - that all policies **respect planetary boundaries** as well as an upward convergence towards a **minimum level of well-being** for people throughout the Union and delivering on the following requirements:

1 General Union Environment Action Programme to 2030 (yet to be published in the Official Journal)

2 UNEP 'Emissions Gap Report 2021: The Heat Is On: A World of Climate Promises Not Yet Delivered'

1. **Establishing an EU Social Union to complement the Green Deal** and ensure the social responsibilities of the EU and its Member States are given a strong legal foundation in their own right and not subordinated to short-term fiscal or economic considerations.

The Social Union should **ensure commitments** to, inter alia, green job creation, adequate minimum income schemes, EU-level social solidarity mechanisms, access to affordable housing, an end to child poverty and energy poverty and adequate work-life balance and support for the care economy³.

2. **A root and branch reform of the current system for EU coordination of economic and fiscal policy away from the imperative of perpetual GDP growth** and towards facilitating the massive investment and policy reforms necessary for delivering the Social Union and the Green Deal, including:
 - a. **An EU definition of the essential goods and services** to which everyone in the EU must have an inalienable right under the Social Union.
 - b. **Economic and fiscal policy coordination that prioritises**, through binding targets, an integrated approach to delivering
 - i. **access to those goods and services**, starting with those who have least and
 - ii. **the most rapid transition to a sustainable economy and society.**
 - c. **A reform of the EU macroeconomic governance system** based on true solidarity and risk mutualisation through permanent, democratically accountable, robust backstops to national budgets in times of crisis, that effectively protect essential social services and economic activities as well as the investments required to achieve essential environmental and social targets.
3. **A major shift in the tax burden** in the EU from wages to **wealth** to reduce inequalities and a corporate taxation that **ensures firms pay a fair contribution** for the public investment that underpins their profits and are given **strong incentives to invest in a sustainable business model** that provides living wages and decent working conditions.
4. **The immediate redirection of subsidies paid to the fossil fuel industry** towards ensuring the most vulnerable benefit from the transition.
5. **Coordinated and proactive labour market policy** to ensure, not only that the multi-million job potential of the transition is realised but also that it delivers the up-/re-skilling and quality jobs that are truly accessible to those who most need them.
6. **Effective access to information and constructive involvement of social partners, communities and individuals** in the development of transition plans to ensure the needs of all concerned are properly taken on board.
7. **Comprehensive, consistent and transparent Just Transition plans from EU to local level** for the principal public and private actors. These must set out not just what the **ecological targets** are, how they will be **financed** and the **roles and responsibilities** of the key actors but, based on thorough analysis of the anticipated socio-economic benefits and costs, explain how those can be **equitably managed and distributed.**

3 See our demands in full here:
<https://www.greens-efa.eu/en/article/document/greens-efa-demands-for-a-social-union>



Laying the socio-economic foundations essential to a truly just ecological transition



1

While a Just Transition must be articulated in detail to meet the specificities of all the regions and sectors concerned (of which more is explained later in this paper), below are some **key principles** that apply across the board.

MAKING THE ECONOMY SERVE THE PEOPLE AND THE PLANET, NOT THE OTHER WAY ROUND

A **Just Transition** requires a **paradigm shift** in economic policy from “**more**” production- to “**better**” production - defined as **production methods, jobs and outputs** from the private and public sectors that are fully compatible with the “**doughnut**”⁴ of both **social and planetary boundaries**.

For the Greens/EFA Group, it is very **problematic** that the **EU Commission has promoted the EU’s Green Deal as a “new growth strategy”**. If this means that implementing the transition must be done in a way that ensures perpetual growth in GDP, then there is little hope of a transition, let alone a Just Transition.

The exclusive focus on GDP growth is an obstacle to a Just Transition

In the EU and beyond, **economic policies** are still geared to **maximising** one single measure, **GDP**, which, in simple terms, is a rough estimate of the annual monetary value of goods and services sold, net of cost of production or “economic value added”.

This represents roughly what is available for distribution to employees and owners of firms, investment and, of course, the basis for tax revenues to the state.

As such this much misunderstood figure that nevertheless dominates policy choices is completely **blind** to the impact of the underlying economic activities on each other, wider society and the environment, not even attempting to measure:

The **quality & affordability of the goods and services** - both in terms of their **direct impact on the well-being of the beneficiary and whether the product is economically accessible to those it could benefit**

“**Externalities**” or costs inflicted on wider society due to the production process or products themselves - whether **environmental, social or economic**

The **distribution of the “value added”** - across owners and employees, people who are not in work, gender and different social categories

4 <https://doughnuteconomics.org/about-doughnut-economics>



The standard defence is that, without perpetual growth, measured in terms of GDP, the government and society as a whole “cannot afford” social and environmental progress.

This convenient untruth is easily debunked: no-one carried out “affordability analysis” before defending Europe against the Nazis because the real question is the availability of real resources - human and material - not financial resources. The latter can always be found (witness the 5 trillion euro rapidly authorised by the European Commission for state aid to stabilise the financial system⁵).

The same reasoning applies to the war on poverty and environmental destruction: it is time to stop talking and act rapidly, decisively and collectively.

The **social and environmental destruction**, under the “**GDP growth**” paradigm, is either completely ignored or presented as unavoidable collateral damage that must be “repaired” through ex-post redistribution via taxation.

Aside from undermining the environment we depend on, this approach is **responsible** for failing to address the **pre-tax inequalities that undermine our societies** and should be abandoned as a priority for a Just Transition to be possible.

Redistribution through taxation, freed from the need to compensate and correct for, and often effectively subsidise, **avoidable inequalities** produced by **poor regulation of economic activities**, can then be far more effectively used to tackle the broader social inequalities resulting from “accidents of birth and life” over which people have no control and to smooth any temporary effects of the transition on the most vulnerable.

Of course, beside the manifest failure of redistribution schemes as currently implemented to fix the damage, a narrow focus on GDP growth misses the point that a doubling of output every generation simply **cannot be indefinitely sustained**, even with the highest achievable resource efficiency, on a finite planet ⁶.

We strongly reject this dogma and call on the EU and its Member States to stop talking about “**beyond GDP**”⁷ and have the courage to actually go there, for the sake of our societies.

The coordination of fiscal and economic policy in the EU must be reformed to prioritise social and environmental sustainability and solidarity over GDP growth

Greens/EFA insist that the highest duty of government should be **to end social and economic exclusion**.

This means using all the powers and resources democratically assigned to government to ensure the respect of the right, for all the people under its responsibility, to effective access to the basic goods and services deemed essential to a decent quality of life and a cohesive society, starting with those whose access is most limited.

These basic goods and services include those necessary to provide a “standard of living adequate for the health and well-being of [a person ⁸] and of [their] family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widow[er]hood, old age or other lack of livelihood in circumstances beyond [their] control” as set out in Art 25 of the UN Universal Declaration of Human Rights.

5 [https://www.ceps.eu/wp-content/uploads/2015/03/IPOL_STU\(2015\)518754_EN.pdf](https://www.ceps.eu/wp-content/uploads/2015/03/IPOL_STU(2015)518754_EN.pdf) p.25

6 The often used target of 3% long-term average growth implies a 203% increase in 24 years. This would imply a doubling of resource efficiency every 24 years just to stabilise resource depletion

7 For example the “Commission on the Measurement of Economic Performance and Social Progress” launched by the then French president Sarkozy and headed by Joseph Stiglitz, Jean-Paul Fitoussi and Amartya Sen whose report in 2009 led to no concrete change

8 Unfortunately the actual declaration uses masculine pronouns throughout

As we have seen in the energy price and availability crisis that started in late 2021 and was greatly exacerbated by Putin's invasion of Ukraine, **enshrining the right to energy is key**. This means guaranteeing an affordable or free minimum amount of energy for each household. The drive to a 100% renewable energy base by 2040 and maximum energy efficiency is key to respecting this right.

Meeting this obligation to the people in the EU can only be ensured through a combination of

- **The provision, either continuously or as an emergency measure, of certain critical⁹ goods and services by the public sector**
- **Ensuring effective private economic means to access other goods and services provided in the private sector through**
 - A legal framework to ensure that firms pay employees a living wage and
 - A guaranteed and adequate minimum level of income for those not in work
- **A robust system of back stops, based on solidarity between and within Member States, to ensure that the provision of - and investment in - essential goods and services is assured in times of severe economic crisis.**

Economic and fiscal policy must be designed to serve this end and socio-economic progress judged in terms of how fast and effectively exclusion and the risk of exclusion is reduced.

The myopic focus on GDP growth, in contrast, has led, in many Member States, to years of socially and economically disastrous austerity policies that treated decent jobs, wages and core social services as “nice to haves” to be sacrificed to protect wealthy investors or as the unacceptable price for support from other Member States.

The EU economic governance framework and the European Semester process that is supposed to coordinate national fiscal/budget policies remains focused almost exclusively on the quantity of spending and borrowing from a narrow accounting perspective and fails to account for environmental, social or even wider economic impact.

Greens/EFA demand that the long overdue reform of the overly complex, democratically deficient **Stability and Growth Pact** - the last chance to make it fit for the 21st century and to promote rather than impede the transformation - should put **social inclusion** and the required **investment in social services** together with the achievement of **environmental sustainability** at the heart of EU economic and fiscal policies.

The reform should move far beyond “taking into account” general social principles such as those set out in the European Pillar of Social Rights and, instead, establish measurable and binding targets for the elimination of socio-economic exclusion and achievement of environmental objectives at **the heart of the European Semester**.

These must be integrated into a workable and, crucially, enforceable common framework for assessing the impact of proposed budgetary measures, recommending improvements and monitoring their implementation.

9 Notably those not provided by the markets at all, or whose continuity of supply by the markets cannot be relied on

Spending and borrowing that support the achievement of social and environmental targets, including co-financing of EU structural and investment funds for EU-wide policy objectives, must be encouraged and not impeded by the revised framework. Such spending must be considered from a **long-term perspective**, taking into consideration the future direct and indirect returns that they generate and not simply the short term fiscal flows, as is currently done.

Purely quantitative measures of the resilience of public finances and the structure of the economy must be **rethought as means** to the ultimate end of social and environmental sustainability and not, as is currently the case, as ends in themselves.

The EU's limited ability to respond effectively to economic shocks that overwhelm national defences highlights the need for fundamental reform. The lack of robust fiscal mechanisms has also meant that much of the "heavy lifting" has been outsourced to the independent ECB whose blunt instruments may have staved off disaster in the short-term, but, by supporting asset values of the more wealthy, risk further increasing inequalities in the longer term.

Creating a strong Europe in a globalised world requires the establishment of permanent and democratically accountable EU wide **macroeconomic stabilisation mechanisms** aimed at the delivery of European public goods.

For that purpose, a **permanent European fiscal capacity** needs to be created, embedded in the EU budget and financed through common taxes and a joint borrowing facility taking inspiration from the major step forward in economic solidarity represented by "Next Generation EU": the 750 billion euro facility set up as a temporary measure in the face of the corona-crisis.

This requires replacing the European Stability Mechanism (ESM) with an **EU treasury or EU debt agency**, under the **Commissioner for economic affairs**, with decision-making by qualified majority voting (QMV) in the Council and oversight by the European Parliament, ending the unanimity requirement of the ESM's intergovernmental model which has led to harsh adjustment programmes and a manifest lack of democratic legitimacy in the past.

The EU treasury will not only be able to offer **precautionary and emergency loans** to Member States and take over lending activities from Next Generation EU but it can provide a **backstop to the Single Resolution Fund (SRF) in a banking crisis** and manage lending for the short-term work scheme **SURE**, which should be developed into a **permanent unemployment reinsurance scheme**. To finance borrowing the EU must expand the basket of "own resources" to cover at least those repeatedly demanded by the European Parliament and committed to in the roadmap adopted in the inter-institutional agreement on budgetary matters at the end of 2020.

Beyond providing more robust sources of finances for the EU, an additional benefit of levying such EU-level taxes on, for example, financial transactions, environmentally unsustainable imports and large corporations, is that they further **incentivise the social and environmental objectives** key to a Just Transition.

Regarding effective spending of the many funding sources in the EU budget intended to produce positive social outcomes¹⁰ it is essential for the Commission to put in place effective means to **track the spending** and **take effective remedial action** if it is not achieving those outcomes.

It must be recognised that, at national level, governments often lack the information or indeed the political will to pass on funding in a way that best fits local needs.

Therefore the EU budget should provide tailor-made and **targeted funding** for the **regions**, sub-regional levels, **cities, local actors** such as NGOs, workers and inhabitants **most in need of support** to achieve the transition, bringing together the Union budget's spending on climate, on cohesion, economic and social objectives at all relevant levels and with criteria for fund use and transparent governance that maximises the social impact of investment.

Finally, there cannot be a Just Transition without completing the “**banking union**”, to avoid a repeat of the financial crisis, notably by introducing a long overdue robust **EU deposit reinsurance** scheme to ensure national schemes cannot fail and people's savings (under 100,000 euro) are safe but also by introducing the **SRF backstop** mentioned above to ensure an equitable distribution of the losses caused by bank failures.

10 Cohesion funds (including in particular ESF, FEAD and YEI ERDF and the JTF), Connecting Europe Facility (CEF), Horizon 2020, COSME, Digital Europe LIFE, Instrument for Pre-Accession (IPA), Neighbourhood Policy Instrument (NPI), Humanitarian Aid



A Just Transition requires a tax shift from wage- to wealth-based contributions and incentives for long term investment in a sustainable real economy

Taxation is key to reviving the social contract and healthy democracies: a powerful instrument to **curb inequality**, fund effective **public services**, promote **sustainability** and **eliminate** socially and economically **destructive behaviour** by companies and individuals.

However, in our current European and national systems, this power remains shockingly **underutilised**.

Instead, in the EU, tax havens siphon fiscal resources from their neighbouring countries, multinationals exploit loopholes to lower their tax bills while profits are increasing, wasteful tax incentives incentivise polluting behaviour, wealthy individuals are undertaxed while modest wages are fully taxed and consumers pay, effectively regressive, VAT on basic goods.

The EU and its Member States have for too long shied away from truly fair, green and social tax policies in order to protect special interest groups such as multinationals, big polluters and powerful individuals in the name of fiscal competition or the blind pursuit of profits and GDP growth.

As a consequence **governments lack revenues to invest in basic goods and services** such as healthcare, education and key infrastructure for the green transition.

Tax injustice fuels climate inequality and vice versa. Looking at total global emissions, the richest 1 per cent – fewer people than the population of Germany – are expected to account for 16 per cent of total global emissions by 2030, up from 13 per cent in 1990 and 15 per cent in 2015. While the poorest half of the global population will still emit far below the 1.5°C-aligned level in 2030. Ensuring the **biggest polluters** make the **biggest financial contribution** to the green transition is not only fair, it is **essential**.



The end of tax injustice requires the following fundamental changes to our tax system:

- › A **comprehensive tax shift from labour income to wealth**. The era of steadily reduced taxes on inheritance, capital gains and property must be brought to an end. It is time to **tax income from capital more than income from real work**. In certain Member States capital gains are taxed at zero percent, effectively encouraging potentially destabilising financial speculation rather than productive labour. In the United Kingdom, for example, research showed that if increases in wealth in the UK were taxed at the same rate as income from work then £174 billion of extra tax would be paid.
- › The tax system needs to **discourage** the socially and economically unproductive **accumulation of great private wealth**. We want a system in which money is not lost to the financial sector and is instead used to contribute to the common good either by being used by the public sector to provide public goods and services or by being spent or invested in support of sustainable business models and decent jobs in the real economy
- › We need a **major rationalisation of tax incentives**, both for individuals and companies. A solid, fair and simple tax system is the objective. For example, companies should not receive tax deductions to compensate for interest payments on debt as this encourages excessive leverage which greatly increases the chances of failure in a crisis, with catastrophic consequences for employees, suppliers, local communities and the wider economy.
- › By the same token, in order to help reverse the decades long decline in long term investment and real wages, taxation should **incentivise the use of profits** to secure the future of the business and its employees rather than maximising returns to shareholders
- › It is a matter of simple justice that **companies making windfall profits** far above those they planned for, especially during times of crisis, should be required to **contribute to the alleviation of the burden** on those most negatively affected through windfall taxes. Indeed, by codifying a fair windfall mechanism in the tax system, both governments and firms could better integrate them into their budgets.
- › **Tax havens** worldwide and especially those in the EU need to be **shut down**. Stronger sanctions are needed against harmful tax practices and a minimum tax without loopholes on companies of at least 21%¹¹.
- › **Progressive carbon taxation** should be introduced for all corporate producers and consumers of polluting goods and services, wherever they are made, as well as on high footprint luxury goods and services predominantly consumed by the wealthy.

To ensure the justified increased contribution from polluters is not transferred to vulnerable people and people at risk of vulnerability, all such measures should be carefully assessed as to their **distributional effects** and be accompanied with sufficient **compensatory measures and funding** to support them in switching to sustainable alternatives, and to counteract increased energy expenses for the most vulnerable.

11 Originally the OECD Inclusive Framework had referred to an effective minimum tax rate of "at least" 15% but was eventually watered down to a minimum of 15%. US President Biden had originally proposed an effective minimum tax rate of 21% - a level Greens/EFA has long defended

In short, the EU and its Member States must finally get serious about **tackling the huge tax gap** between what governments plan for and what they actually receive in tax revenues - a **loss** to the public purse **every year** comparable to the **entire multi-year Next Generation EU package**.

This means bolstering the tax authorities to ensure taxes are collected, simplifying tax codes to remove the myriad exceptions and exemptions that wealthy individuals and corporations can use to avoid paying their fair share.



We cannot tolerate deserters in the war on social and environmental injustice.

A Just Transition requires an immediate shift of subsidies from supporting polluters to helping the most vulnerable benefit from the transition

The economic cost of social and environmental damage has until now mostly been borne, not by those responsible, but by public authorities. The enforcement of the “polluter pays” principle starts, obviously, with **“not paying the polluters”** - as is regrettably still the case in the EU - through direct or indirect subsidies.

According to a European Court of Auditors report from 2019, even as the Green Deal was launched, EU Member States paid out **56 billion euro in direct fossil fuel subsidies** and, even more shockingly, for a majority (15) this **exceeded subsidies to Green energy**.

The fossil fuel industry must instead be made to contribute substantially more - whether out of their own capital or through taxes on their profits - towards the costs of the transition - not only to stop wider society from footing the bill, but also as an incentive for many of them to put their substantial capital into providing the clean energy of the future.

This would not only benefit society as a whole but surely is in the interest of their future viability and shareholders.

Yet, we must go beyond the “polluter-pays” principle. In the first place, we need to enforce a legal obligation to align with EU Climate Law and stop polluting activities, rather than merely making them a more expensive “cost of doing business” through taxation and publicly sponsored market mechanisms.

The billions of euros currently used to compensate and correct for, or even support, polluting economic and business models can then be redirected to support the Just Transition.

These measures should be accompanied by sufficient funding to **support households** in switching to **clean alternatives**, and to compensate increased energy expenses with priority given to **vulnerable people** and **people at risk** of vulnerability.

Examples of such support include combating energy poverty through, for example, the provision of fully or partially publicly funded energy efficient goods and social housing, help with the cost of public transport or even an (electric) vehicle for people in rural areas with poor public transport for whom there is no feasible alternative and support for small farms to help them develop the methods and markets they need to become established.

The transition must deliver millions of new jobs that are not just “green” but decent

The 21st century jobs, products and services needed for the ecological transition should not be produced using 20th century business practices.

While supporters of the old “jobs and growth” paradigm might claim that shifting focus to the quality rather than quantity of growth would itself be detrimental to job creation, recent history, however, shows a decoupling of GDP and employment within the EU as a whole, with the highest employment rates achieved when GDP growth was at 2% or below¹².

The **ecological transition**, in promoting new ways of living and producing, will **greatly expand economic activities** related to renewable energy, energy efficiency and the circular economy in the energy, building, transportation, industry and land use sectors.

By some estimates, this will add up to **2 million new jobs** on currently “shovel ready” projects in the EU in the **short to medium term**, and up to **10 million more** as the transition advances¹³, in these “core” Green economy and key transition sectors.

On the other hand, a report for the Joint Research Centre of the Commission estimates the number of workers in the EU whose **jobs are directly dependent on the energy production industry** (coal, peat, and oil shale) at more than **200,000** with a further 140,000 in jobs that are indirectly dependent¹⁴.

Ensuring that **jobs created in the “green sector”** will **far exceed those lost** from the fossil energy sector is, however, **not enough** to ensure that the transition will be just.

Well-designed employment and social policies are needed to **deliver the socio-economic benefits** of new, quality and long-term sustainable jobs and businesses.

The public purse must no longer subsidise the payment of wages that cannot cover people’s basic expenses. This is why Greens/EFA has long demanded the EU-wide enforcement of a **living minimum wage** (mentioned previously as a key part of economic policy convergence) that is not only above the 60% median disposable income “at risk of poverty” level, but is also **indexed to the price of a basket of goods** that adequately represents the true cost of living where they live.

We also strongly advocate **effective pay transparency legislation** that obliges companies to reveal how wages differ across functions, gender and other key dimensions as well as key pay ratios - e.g. between the remuneration of C-grade managers and the lowest or average remuneration - that are essential to combatting the intolerable wage inequalities that exist today.

Employment protection legislation should ensure that large firms have every incentive to be resilient enough in their business models not to need to resort to **procyclical job and wage cuts** in a downturn - effectively using employees as a shield for shareholders.

Massive investment and **ambitious industrial and labour market policies** are required to promote green innovation all the way from research and development to maturity, to ensure leadership in new and clean industrial processes, products and deliver the associated quality jobs.

Proactive labour market planning and investment for the transition must take into account that **humans**, unlike financial capital or goods, **cannot just flow to where the opportunities are** and cannot be expected to anticipate which skills they should acquire to meet future demand.

12 for example “The marked disconnect in the relationship between employment and GDP has been widely reported and analysed in the literature”, ECB Economic Bulletin, Issue 6 / 2016 - “The employment-GDP relationship since the crisis”

13 See for example the study done by Ernst & Young for the European Climate Foundation “Perspectives on a European green re-recovery from the COVID-19 pandemic Summary report”, April 2021

14 JRC Working Papers on Territorial Modelling and Analysis No 11/2021: 200 000 jobs estimated to be directly dependent and 140 000 indirectly dependent on coal, peat and oil shale

Labour market policies promoting access to quality jobs through **up- and re-skilling programs** and other practical support must ensure that those **jobs** are actually **available and proactively targeted** at those who need them most, especially in the least privileged sections of society and most fossil-dependent regions, and **remove the barriers** that discourage women, persons with disabilities, ethnic minorities or other groups in our society from fulfilling careers historically white, male, middle class-dominated sectors.

Furthermore, in order to help people find suitable jobs in the changing economy, proactive labour policies must also ensure that everybody has the possibility to acquire and develop their **digital skills** needed in the 21 century. Many of the socio-economic policies called for in this paper will be backed-up by modern technology and artificial intelligence. It is therefore critical to **empower people** to be autonomous in the digital economy while ensuring that **AI and technological systems** are by default **ethical, transparent and privacy-friendly**.

Proactive and constructive involvement of social partners, stakeholders and citizens is key to a Just Transition

Social dialogue, collective bargaining and wider participation of stakeholders are fundamental to address the magnitude of the challenges ahead, to promote social cohesion and upward convergence, create quality jobs and improved working conditions.

In particular, a **just ecological transition** cannot happen without a **strong role for trade unions**. Trade unions have been at the forefront of the design of what a Just Transition actually means, and they constitute the principal social actors, with strong influence on political agendas and a real impact on the reduction of inequalities.

They are now engaged in the fight against climate change, urging public authorities to create prosperity for all on a sustainable planet, as summed up by their motto: **“there are no jobs on a dead planet¹⁵”**.

Along with public authorities, **social partners** have a major role to play in **developing sectoral decarbonisation roadmaps** and just transition strategies, at both national and EU levels. Similarly, they can ensure workers’ participation in the workplace through information, consultation and codetermination, to develop concrete solutions for the restructuring processes necessary to meet higher ecological targets while improving working conditions.

More broadly, for a Just Transition, we need to **empower local people**. Beginning with active participation in planning processes and expanding to local ownership models. EU regions face specific challenges, depending on their level of development. The most vulnerable territories need community-led local development strategies in order to address rising youth unemployment, “brain drain”, depopulation and marginalisation of women in the labour market.

A transition from a fossil-fuel based energy system to a 100% renewables-based system will only be successful if **regional, local communities and inhabitants are actively involved**, in line with the principles of the European Code of Conduct on Partnership in the Common Provisions Regulation. In particular, the economic and social needs of people living and working in **regions** that currently still **heavily depend** on the **coal, lignite and peat sector** or other carbon-intensive industries must be placed at the centre of this transition. This should also include local and regional initiatives to ensure that the social and cultural heritage, for example of mining regions, is maintained, respected and appreciated (e.g. through guided tours, transforming landmarks into museums etc.).

15 <https://www.etuc.org/en/no-jobs-dead-planet>

The participatory approach and continued dialogue should be applied **throughout all stages**, including the preparation of a long-term development strategy and the set-up of a monitoring and evaluation scheme. It is crucial that everyone, but especially vulnerable low-income households facing energy, housing, food and mobility poverty have the opportunity to participate in the design of policies and to benefit from their implementation.

The **proactive dissemination of information** is key in empowering such actors. Local stakeholders often have much less knowledge of available public funds, regulations, the business environment and production data leading to relatively low levels of income even when there are benefit sharing arrangements. Fostering participation means first and foremost establishing a **level playing field** for developers and local stakeholders.

In addition to quality information, it is essential to put in place, from the EU-level downwards, the proactive support mechanisms to give **meaningful access to capital, professional advice and strategic services**.

Depending on the governance structure of the country, **regional and local governments and municipalities** will have a very important role to play in the development of green and social infrastructure, but their priorities and capacities may not be aligned with national policy which often tends to favour corporate and institutional developments.

Finally, as Greens/EFA we strongly believe that to accelerate the ecological transition, new strategic alliances need to be constructed with youth organisations, the cultural and education sectors, small businesses and civil society at large to anticipate their needs and build on their respective strengths to bring about the necessary changes.



Just Transition Plans at every level

It is only possible to coordinate a Just Transition with good quality publicly available information **from all actors of significant size - public and private** - on the expected impact of the transformation on their activities and proposed actions to adapt.

Inspiration can be taken from the targeting of the RRF spending where, in their national Recovery and Resilience Plans, Member States had to set out how they would spend NGEU money in accordance with key objectives - principally green and digital. This should be taken a step further, by defining precisely what counts as a green investment. Identifying such investments could rely on the technical screening criteria under the six environmental objectives of the EU taxonomy and be subject to a politically agreed exclusion list similar to the one adopted in the Just Transition Fund or InvestEU regulations.

Unfortunately, despite Greens/EFA efforts, requirements for demonstrating positive social and territorial impacts are much vaguer in the RRF. Robust Just Transition plans must include criteria for social spending that are consistent with the criteria we demand to be included in the EU's economic governance framework (see above) and adapted according to the sector, region and transition projects to which they apply to ensure that they can achieve not only the desired environmental outcomes but optimise the social and economic impact.

In general, there should always be a high degree of consistency and complementarity between EU policies and interventions at national or regional level in different policy sectors. Especially when it comes to the Just Transition, it is paramount that not only the needs and specificities of different EU territories are better taken into account but also that EU policies should leave no parts of Europe behind, complying with the principle of 'do not harm to cohesion', and entailing that no action should contribute to regional disparities or to the worsening of existing divergences also within Member States, as stated also in the Eight Cohesion Report.

For the transition to be effectively monitored and managed, we need much more **detailed plans**, informed by **robust impact assessments**, preferably using multi-criteria Life-Cycle Analysis methodologies, to take into account the effects on several environmental factors across all the lifetime of a product, service or infrastructure, preventing rebound effects and impact transfers. Such assessments should present not just the changes a public or private organisation intends to make to achieve a sustainable mode of operation but also how any significant social and economic impacts of those changes will be addressed taking into account that **different people will be affected in different ways at different stages** of the transition. Detailed assessments of how these plans help closing the gap between more developed and less developed regions should be included.

Such plans, with a level of detail commensurate to the environmental, social and economic impact of the organisation, should be a **legal requirement**, not just for **public authorities** at all levels, but also for **all but the smallest of firms**. Public authorities should proactively support organisations by providing criteria for impact assessment and guidelines for designing the right actions as well as easily accessible advisory services to help draw up the plans.



Internalisation of value & supply chains to maximise local benefits

The biggest driver of maximising the economic and employment benefits to people is localising the components of new sustainable economic activities.

A **new, future oriented industrial strategy** at the EU, national and regional level is critical to guide investment and build capacity in local suppliers and upstream sectors and to maximise local industrial synergies.

For such an industrial strategy to be successful, it needs massive investments into green and affordable energy, re- and upskilling as well as green innovation.

Such investment needs to be accompanied by active public support to ensure firms have effective access to capital and information, in particular SMEs and start-ups that are often the backbone of the regional industries.

Also key is ensuring a level playing field between EU firms and importers subject to lower environmental and social standards as well as ensuring EU firms do not benefit from lower standards along their international value chain.

Ensuring, wherever it makes sense, that related R&D, design, manufacturing and construction activities are developed within a region maximises the region's socio-economic benefits, and there is evidence that other regions are also likely to benefit from spill-over effects¹⁶.

Alternative models of **local ownership** and **community benefit-sharing** – where effectively promoted – **substantially enhance regional socio-economic benefits**.

However, many barriers to local ownership have been identified including capacity issues, opposition from corporate owners, access to capital and the increasing size of many transition projects.

The **right balance** must be found between the **degree of local ownership** and **control and the speed and scale of development**. There is much evidence, for example, of bureaucratic and procedural hurdles delaying renewable energy deployment, and of the benefits associated with strengthened regional governance capacity based on clear regional development and socio-economic objectives.

In particular, meaningful public consultation processes have been shown to be a key enabler of social acceptability of RES deployment.

Public procurement to support development of sustainable products

According to the EU Commission, every year over **250 000 public authorities** in the EU spend around **€2 trillion per year** on the purchase of services, works and supplies.

To ensure this massive amount of public expenditure is consistent with the EU's environmental and social objectives "**Buy local, buy green, buy social**" should be the principle applied by public authorities when they make procurement choices.

Where private investment is unable or unwilling to provide the growth capital for the development of the new clean and socially responsible business models, public authorities must be able to offer a "**market of last resort**" to support the **businesses** - especially start-ups and SMEs - **aligned with Just Transition goals**.

¹⁶ See the study commissioned by Greens EFA - Stainforth, T., Gore, T. & Urios Culiñán, J. "The socio-economic impacts of renewable energy in EU regions" (2021) Institute for European Environmental Policy

THE JUST TRANSITION IS PART OF BROADER ENVIRONMENTAL JUSTICE

Besides ensuring that the process of transforming the societies and economies of the EU to a sustainable footing is done in a way that reduces inequalities, the EU has an equally important role and duty to **alleviate the social and economic burden already imposed by environmental degradation**, both inside and outside the EU - a burden that **disproportionately affects the least privileged**.



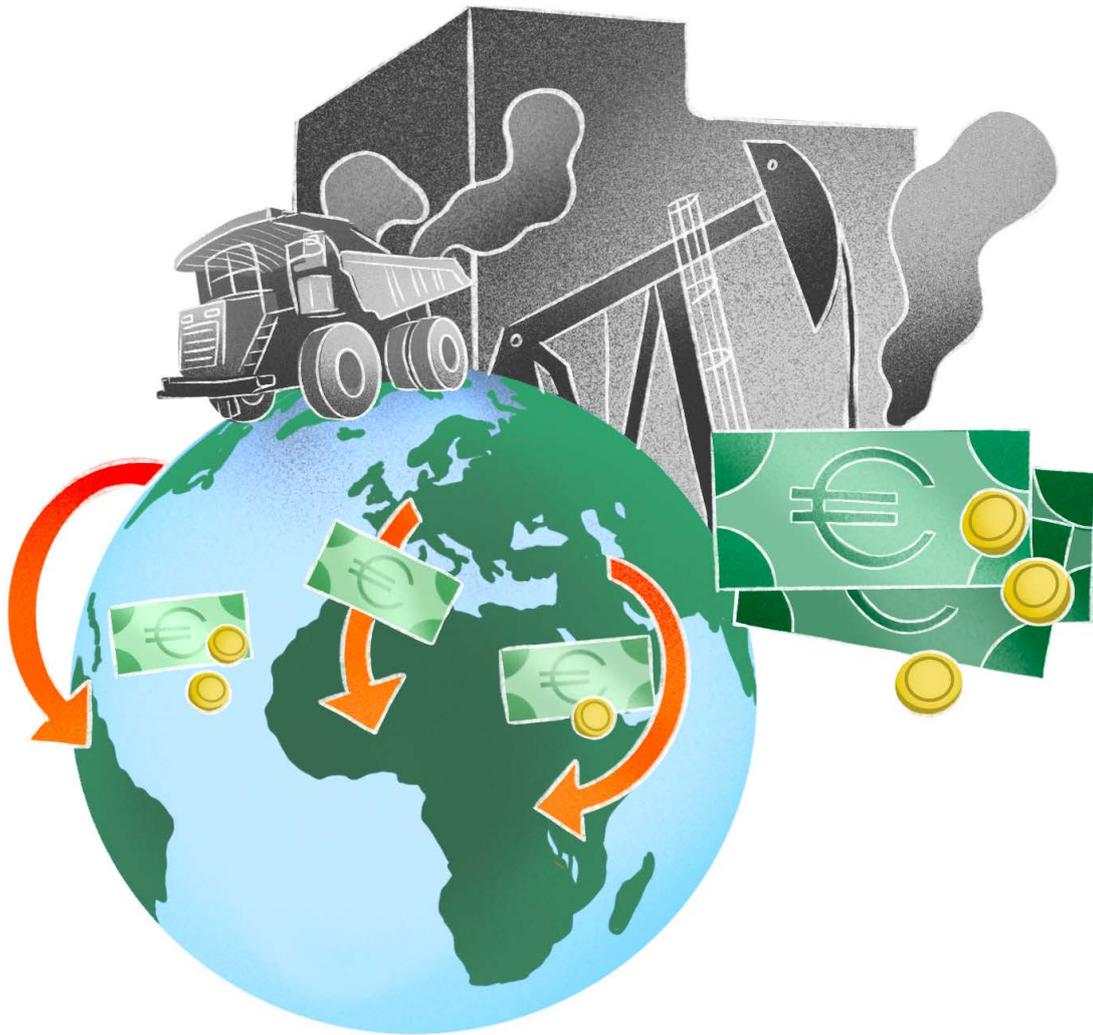
Climate change has the greatest impact on people who live in the countries, or belong to the sections of society that bear the least responsibility for causing climate change and are the least equipped to mitigate and adapt to its impact.

The principle of “climate justice” implies a **responsibility on the most privileged nations** and sections of society to provide the economic, technical and political support that the least privileged require and deserve.

More broadly, the term “**environmental justice**” extends this principle **beyond damage to the atmosphere** to the equally catastrophic and unfairly distributed burden of the damage to the **biosphere, hydrosphere and geosphere**.

Concretely this means that adaptation – i.e. **alleviating the social and economic burden of environmental damage already imposed**, in particular on the **most vulnerable people** by increased flooding, fires, landslides, air, water and soil pollution or other impacts – is just as important a priority as mitigation, the actions needed to avoid further environmental damage.





THE JUST TRANSITION DOES NOT STOP AT THE EU'S BORDERS

Following the principle of climate justice, the EU faces the responsibility to **strengthen its external actions** to mitigate climate change and to alleviate the burden of already existing impacts for two main reasons:

First, the EU's historical GHG emissions are a significant part of the problem and, hence, the EU has a moral obligation to help alleviate the burden of environmental degradation in less privileged nations.

Second, as one of the wealthiest economies the principle of ‘common but differentiated responsibilities’ by the United Nations Framework Convention on Climate Change (UNFCCC) requires the EU to support countries significantly less responsible for climate change in adopting effective climate measures.

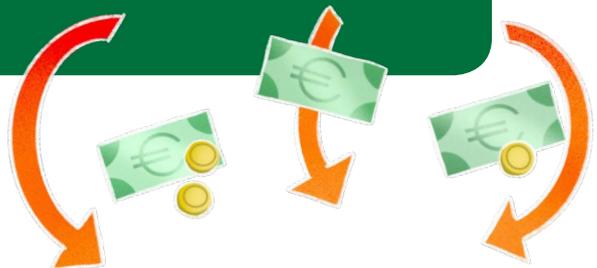
COP26 revealed significant gaps in climate adaptation efforts which had to be addressed before COP27 in Egypt. It is clear from the success of the EU in breaking the stalemate by strongly supporting a loss and damage fund at COP27 that reaching the common goals of the Paris Agreement **depends crucially on the EU bringing international partners on board.**

Therefore, **cooperation on environmental justice** must be at the centre of EU external action since without cooperation a safe and climate-just world for all cannot be ensured. Less developed countries **have to be supported** through not just **financial**, but also **logistical** and **technological** means to be able to follow greener and socially just **recovery** and development pathways.

Much greater efforts are needed to effectively support international partners to drive forward the transition, but also to assist the recovery from irreversible losses and damages that are already devastating lives and livelihood.

To ensure that the EU’s external actions are efficient and result in a climate-just outcome, they must be based on the following points:

- › First, it is essential that every aspect of **EU’s external action** is aligned with the aims of the **Paris Agreement**.
- › Second, the EU needs to actively **foster external dialogue and partnerships** around the shared goal of a climate-just and climate-safe world.
- › Third, the EU must deploy its external actions to support partners through **financial investment and technical expertise**, to ensure the compensation of loss and damage and to foster the development of resilience¹⁷.
- › Lastly, the EU must ensure that laws are applied at **every level of governance**, including the private sector, to ensure that the biggest polluters – fossil firms, but also those firms accounting for the most CO2 emissions under the Carbon Disclosure Project¹⁸ and other forms of pollution such as from pesticides – are held accountable for the damage they cause and that the financial penalties they pay are used to make good the climate and environmental debt to the poorest countries and the poorest among the richest nations in order to help to reduce environmental inequalities. Loss and damage should thus be compulsory and not voluntary.



17 See study commissioned by Greens/EFA: “Paris Aligned EU External Action For A Climate Just World For All”, Jennifer Tollmann And Léa Pilsner, Third Generation Environmentalism – E3G, December 2021

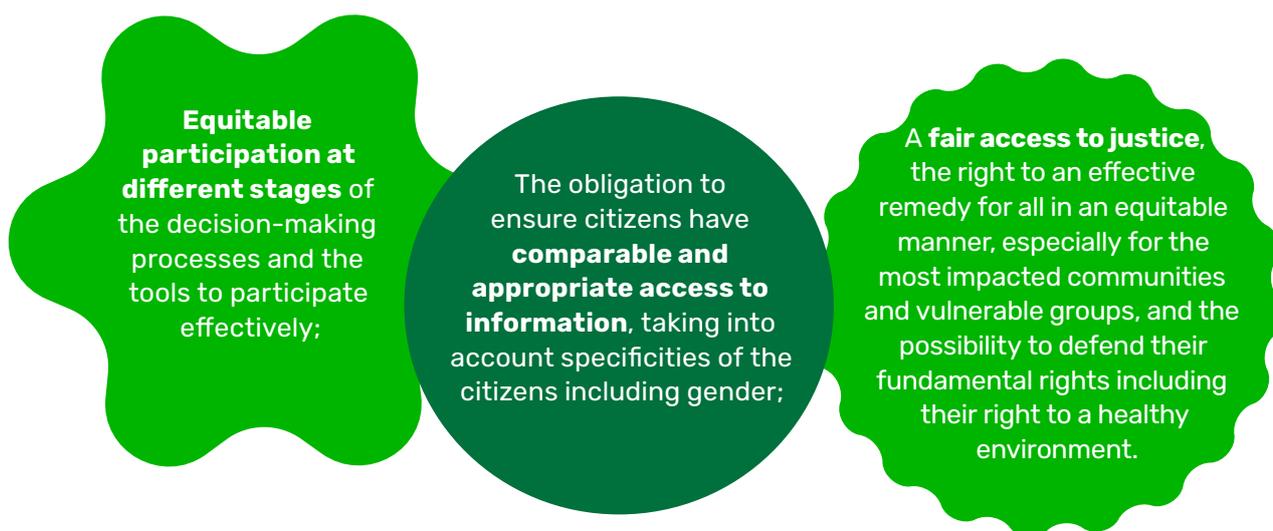
18 see <https://www.cdp.net/en>

AARHUS+ : AN ENFORCEABLE "DO NO SIGNIFICANT SOCIAL HARM" PRINCIPLE

There have been several important judicial victories at member state level in the EU where, public authorities have been held by courts to be in breach of their duties to meet climate and wider environmental obligations.

The EU has signed up to the Aarhus convention intended to ensure public access to information and judicial procedures as well as participation in decision-making in environmental matters, but even the recent revision of the Regulation implementing it in the EU overly restricts access to members of the public and excludes the key area of state aid from legal challenges. Overall, the three pillars of environmental democracy are lacking at EU level, in particular due to restrictive and unbalanced access to information, participation and justice for all citizens.

The EU needs, not only to comply fully with the spirit of Aarhus, but to promote a social dimension to environmental rights in relation to the social impact of environmental measures to further ensure that the achievement of **environmental objectives** is carried out in a way that **distributes the benefits and burdens as fairly as possible**, by including :



An environmental and equitable democracy also requires the direct defence of ecosystems by the citizens directly affected by their degradation: **recognizing ecocide** and **nature rights** are also a tool for environmental justice.





PROMOTING GENDER EQUALITY AND THE INCLUSION OF VULNERABLE GROUPS

Gender equality must be a **central component** of the Just Transition to ensure that the transition is **inclusive, fair** and **leaves no one behind**. A Just Transition must address the gender implication of the various transition actions and put the rights and voices of **women**, those experiencing **intersectional discrimination** and **vulnerable and marginalised groups** at the centre.

Therefore, the **promotion of gender equality, gender mainstreaming, equal opportunities and women's labour market participation and entrepreneurship** have to be ensured throughout the whole transition process and fully integrated in all stages of the design, evaluation, implementation, monitoring of policies and projects for the Just Transition.

The implementation of systematic gender impact assessments ahead of any policy and the development of gender expertise are essential to ensure the gender dimension is fully integrated. These assessments should be based on the collection of disaggregated data and analysis to understand and address the specific effects these policies have on women, on those experiencing intersecting forms of discrimination and on gender equality. Implementing gender-responsive budgeting, practices and roadmaps to ensure adequate funding is earmarked for the promotion of gender equality and is also key to ensure a gender-responsive Just Transition.

Women in all their diversity, particularly lone parents, those experiencing intersectional discriminations and above retirement age, are more likely than men to live in energy poverty at some stage in their life, limiting their access to renewable energy services and hindering their participation in the energy transition.

Among other things, the transition from fossil fuels towards renewable energy requires the reskilling, training and upskilling of workers. To prevent that the transition reinforces existing gender inequalities and stereotypes in the working sphere, it is crucial that the shift towards the RES sector does not exclusively focus on the currently predominant male fossil fuel workforce, but **actively includes women in all their diversity**.

Gender-responsive Just Transition has the potential to create decent jobs for women. Currently, only 35% of workers in the RES sector are women and, while women hold 46% of the administrative posts, they only occupy 28% of technical and 32% of senior management positions. This sector still performs much better than the fossil energy sector, where women hold less than 12% of leadership roles, but it can improve.

Thus, initiatives that increase participation of women in the RES and STEM sectors are key. Labour market policy must actively steer the expansion of the sector away from these under representations, promoting the sector to women and providing them with the support required to overcome existing bias. It is therefore essential to promote access for women in all their diversity to emerging job opportunities in the green transition, develop specific trainings and skill development programmes targeted for them to ensure that green jobs are equally beneficial and accessible for all.

Recent research carried out for our Group ¹⁹ shows, shockingly, that the vast majority of RRF money (75% in the short term but still 60% in the medium term) will be invested in the creation of work opportunities for men, thus further illustrating that, without enforceable rules on tackling gender balance in such sectors, well intentioned funds will end up exacerbating existing biases.

However, a Just Transition that includes and empowers all groups of society does not only require the creation of jobs within the renewable energy sector, but also needs to **include and foster the sustainable, safe, and decent jobs** that are essential for societal resilience, as the Coronavirus Pandemic has once again underlined. Sustainable, safe and decent jobs include healthcare workers, educators, caregivers, etc. which currently tend to be highly feminised, underpaid and often imply precarious contracts and working hours. Thus, the transition must promote and ensure sustainable, safe and decent jobs that are **properly valued**.

Women in all their diversity and those in vulnerable situations are powerful agents of change in the climate transition. It is therefore essential to ensure their meaningful and equal participation in decision-making bodies at all levels in the field of climate policy and other sectors designing the climate Just Transition.

To sum up, a Just Transition must **promote gender equality** and **empower people with disabilities**, those in **vulnerable and disadvantaged situations** as well as **marginalised groups** in order to avoid that current inequalities are reinforced. Thus, the **active involvement and participation of women** and **other marginalised groups throughout the whole transition process** as well as the **promotion of inclusive labour markets** and **improved working conditions** have to be an integral part of this transition.

¹⁹ see, for example, "Gender Impact Evaluation of the Recovery and Resilience Plan for Italy" Dr. Giovanna BADALASSI - other studies showed similar results for Germany and Spain (respectively a little better and a little worse)

DIGITAL TECHNOLOGY IS A TOOL FOR ACHIEVING OUR GOALS, NOT AN END IN ITSELF

Digital transformations are part of our societies. While they can bring huge benefits and have the potential to deliver positive change across sectors, the digital sector in itself has major environmental impacts, and entails certain risks for people, in terms of privacy, surveillance potential or health.

To ensure a Just Transition for all, **digitalisation of any sector should be human-centred and sustainable by default**, and designed as such from the outset. Appropriate planning with multicriteria LCA impact assessments at the onset of a project will ensure that the benefits are greater than the costs, and that the technology used achieves its purpose.

Digitalisation, high tech solutions and environmentally motivated innovation should always be transparently assessed for negative environmental and social impact, including potential social exclusion, and compared with low tech alternatives.







Using the ecological transition to promote social and economic justice



2

OVERVIEW OF THE KEY STEPS IN THE ECOLOGICAL TRANSFORMATION

What needs to be changed in the energy sector?

In order to ensure that the EU's climate targets will be achieved, the **production and the use of coal, lignite and peat** need to be terminated **by 2030** at the latest. Additionally, the **use of fossil gas** needs to be **phased out**, meaning that all **fossil fuel subsidies** have to be **terminated**.

On the supply side, **massive investments** (around 375-425 billion EUR between 2020 and 2030²⁰) in **renewable energy** production and distribution are needed to ensure demand is comfortably met with **100% renewables by 2040**.

This means not only a rapid expansion of solar, wind, wave and geothermal energy production but also putting in place the interconnections and smart grid technologies that smooth demand and supply across the EU.

On the demand side equally significant investment is needed in the technology and infrastructure for **energy-efficiency** to **lower energy consumption and costs**.

This must include industry switching to **electric power generated from renewable sources**, **deep renovations of buildings** at a rate of at least **3% per year**, effective **eco-design standards**, so called **demand-response services** (one is paid for consuming off peak, feeding in electricity from a car battery etc.), **recycling of waste heat** and many more, already proven technologies.

Additionally, the **digitalisation of the energy sector** has the potential to support flexible energy generation and consumption in different sectors and enable increasing use of renewable energy. It also offers the potential to increase energy efficiency through technologies that gather and analyse data to optimise the use of energy in various sectors.

The transformation of energy production and consumption offers benefits ranging from reduced energy costs to the emergence of new jobs and the possibility to convert former mining sites to collectively beneficial areas.





What needs to be changed in agriculture and fisheries?

Producing one tenth of the EU's emissions, using far too much precious water, degrading soil and driving ecosystem collapse, a transition in the agricultural sector is essential to meet climate targets and to protect biodiversity.

Building on, but going beyond the Farm to Fork Strategy, the transition in the agricultural sector implies **reducing** the use of **synthetic pesticides** (50% less by 2030 and zero in 2050) and **fertilisers** (20% less by 2030). At the same time, the share of **organic agriculture** needs to increase to at least **25% of the total** utilised agricultural area **by 2030**. European agricultural production must be **fully organic by 2050**.

The shift away from intensive industrial agriculture, especially from factory farming, has to be an integral part of the transition and implemented in the framework of existing sectoral policies and in particular the Common Agricultural Policy. **Ending industrial-scale animal farming** means exclusively **supporting low density, pasture-based animal farming** that is not dependent on imported, forest-destroying soya, in other words less but better animal farming to respect planetary and regional resource boundaries.

Moreover, in order to ensure a successful agricultural transition, the adoption of **agroecological methods** and **diversified farming systems** have to be actively fostered, catalysed by **independent advice systems** and **insurance support** for farmer during their risky system transition.

In addition, the percentage of **highly biodiverse landscape features** have to be increased to preserve functioning ecosystems on a landscape scale, as they are needed as habitats for pollinators, natural predators of pests, etc.

Moreover, rather than upholding and supporting long food supply chains, a **re-localisation of food and feed production** is essential to ensure sustainable agriculture systems and guarantee that the value added remains in the region of production.

The transition towards sustainable agricultural practises and shorter value chains offers the opportunity of access to healthy and affordable food, have a positive impact on jobs and on farmers' income as well as provide a wide range of choice of locally-produced food for everyone.

A Just Transition in the fishing sector includes a transition to **low impact fisheries** as well as the **phasing-out of harmful fishery subsidies**. Transitioning to low impact fisheries includes a ban of bottom contacting gear in marine protected areas, increased quotas for small-scale fisheries and incentives for more selective gear. This will have a positive impact on ecosystems, promoting a transition from “paper parks” to truly protected marine areas, reducing bycatch and protecting precious habitats and fish populations, and will improve the socio-economic conditions of coastal communities, by increasing the income of low impact and small-scale fisheries, which play a critical role at the local level.



Promoting low impact fisheries also means **actively supporting low-impact and small-scale fisheries** through existing EU funds. In order to facilitate small-scale fisheries' access to EU funds, it is crucial to provide technical assistance at the local level, as well as to ensure that Member States make full use of the pre-financing mechanisms available under the European Maritime, Fisheries and Aquaculture Fund. Apart from that, **a fair and transparent system of allocating** fishing opportunities has to be implemented in order to ensure a level-playing field for all fishers. In addition, a Just Transition in the fisheries sector must also ensure the complete phase out of polluting fossil fuel engines. Fishing vessels will have to be powered by renewable energy sources provided by the renewable energy production system described above.

Moreover, similar to the other sectors, the fishery sector needs to transition to **overall shorter value-chains**. In order to avoid the largest part of the profit being made by processors, fish should be sold locally whenever possible to ensure that the money is received by the small-scale fishers directly. This links to the necessity of internalising the value chain: Rather than importing fish to the EU while at the same time exporting other species to countries outside the EU, the **EU fishery supply** should be **captured locally** where possible.

Lastly, the economic model of fisheries, now based solely on quantity, needs to transition to “better”, i.e. higher quality that can be sold at higher prices. This transition needs to be accompanied by a diversification of income sources such as “pesca-tourism”, transformation of caught fish into higher value products etc. – similar to the diversification seen in many agro-ecological, small-scale farms.

Also for environmental justice international reasons, deep sea mining must be stopped: it is mostly western companies that plan to mine pacific marine areas with direct impact on ecosystems and people, and also indirect impact such as climate change or biodiversity loss that would finally hurt ecosystems around the globe.

The transition actions in the fishing sector will lead to the recovery of fish stocks, increased biodiversity and thus lower the price of certain species. Moreover, new jobs in the small-scale artisanal fishery sector will be created.

What needs to be changed in transport?



We need to urgently shift away from a transport system that is inefficient and relies on the use of polluting fossil fuels to one that is clean, accessible and convenient for all.

One of the most important actions in transport will be the **complete phasing out** of last century’s engines that run on **fossil fuel** and pollute our lives from the stratosphere to deep inside our lungs. The clean engines of the 21st century will be powered by **renewable electricity, renewable-based hydrogen** for heavy vehicles or other energy sources provided by the renewable energy production system described above.

Flexible and cheap **modes of transport requiring no (man-made) engine** at all - from personal bikes to ocean going sailing ships - will be able to flourish and diversify in their applications in **harmony with clean motorised transport**.

In addition to ending pollution from vehicles, the high and unfairly distributed cost, frustrating inefficiency and congestion of the current private car-centred transport systems will be drastically reduced by the move to a smarter, better integrated and better laid-out, multi-modal transport system.

Smart integration of different transport modes, notably involving a hugely greater role for **effective and efficient public transport for passengers** as well as a redesign of freight transport to eliminate the **wasted space and time** will be part of the change that ensures less waste of time and energy for households and firms, less road accidents as well as more space and green areas for people.

The environmental impact of **freight** could be reduced, by choosing the least polluting mode - rail or inland waterways - for distances of over 500 km and only using roads for the so-called 'last mile'. By employing cargo-pooling and green logistics, **empty loads** could also be **avoided**. Today, an estimated 20% of trucks on European roads are empty.

The transition is about more than just achieving sustainable, efficient and agreeable ways of getting from A to B. Through smart design of urban and, especially, rural community spaces, **A and B can be brought closer** and the time, money and resources spent on transit greatly reduced²¹. Indeed, as we have learned during the Covid-crisis, A and B can in many occasions also be linked by video or with the help of digital administration, thus completely removing the need for spending time in transit.

The transport "model" of the last century was excessively centred on private cars. The 21st century sustainable, multimodal, shared system will **put at its centre humans and the environment** they need in order to live sustainably.

Air mobility will have to be **drastically curtailed**, at least until sustainable alternatives to air mobility - for example battery powered planes and dirigibles - become commercially viable. This will mean fewer flights for the minority of the population that do fly, especially **business flights**, the vast majority of which can be easily replaced by teleconferencing, saving huge amounts of time, money and stress.

However, with the external costs of flying integrated into the ticket price and investment in clean transport infrastructure, **alternative modes of long distance travel** - trains and sailing ships for example - will become more attractive.

As used to be the case before package holidays, the **journey** can become a part of the **pleasure** of a holiday, instead of being a "necessary evil". A well-integrated network of clean, high-speed trains, a coherent regional public transport network that reduces door-to-door travel time and especially comfortable night trains, can remove the pain and delays associated with travel for holidays within Europe and neighbouring regions.

These changes in the transport sector provide the opportunity to decrease the overall costs of transport by sparing expenses, inconvenience and time; boost jobs in local tourism and most importantly, generate a transport system that will meet far more of our individual needs and grant mobility to everyone.

21

See for example the "15-minute City" concept <https://www.15minutecity.com/>

A JUST TRANSITION AND THE COST OF LIVING

Local ownership and production of renewable energy will reduce energy costs, prevent energy poverty and lead to energy democracy, affordability and security

The phase-out of lignite, peat, fossil gas and coal raises concerns about energy poverty due to a perceived risk of potentially rising energy prices. Energy poverty describes a situation where a household is unable to access energy services at an affordable price to secure the energy required for a decent life²².

Although the transition towards renewable and more efficient energy systems promises lower energy costs, it must be ensured that **access to affordable and clean energy is guaranteed for all** - especially for low-income and vulnerable households - at any point in time.

Whenever households face the risk of energy-poverty or mobility poverty, temporary and **proportionate direct support** needs to be directed towards the **most vulnerable** households. However, direct cash support measures should **not be used to pay for energy bills** since this would simply **subsidise fossil fuels** without removing the exposure to fossil fuels that is at the root of the problem. Instead, these measures have to be part of a holistic strategy to lift people out of energy poverty through more structural investments. Overall, **long-term investments** in renewable and energy efficiency programs and targeted renovation are crucial and better suited to tackle the structural causes of energy poverty by lowering overall energy costs.

Currently, we pay much more for energy than we think since the actual costs of polluting fuels (such as health and environmental costs arising from pollution) are not internalised and thus hidden. A highly energy efficient and 100% renewable based energy system does not only make sense from an economic point of view, it will also provide health, environmental and climate benefits such as avoiding premature death, keeping our natural resources intact and contributing to the avoidance of runaway climate change.

Moreover, the transition towards renewable and efficiently used energy promises **lower energy costs** as increased energy efficiency will result in **decreased energy consumption** and **renewable energy installations** operate at almost no costs, once installed. By accelerating the deep and staged deep renovation of our buildings, this effect will be further amplified and thereby **avoid and reduce energy poverty**.

Besides lower energy costs, the transition towards an energy-efficient economy based entirely on renewables promises **energy democracy and security** as renewable energy systems allow for local ownership and energy to be produced, consumed, stored and sold locally by individuals or energy communities.

Locally owned energy systems can range from individuals implementing solar panels on their roofs, heat pumps in their basements or small wind turbines in their gardens to municipalities or **self-organised energy communities** implementing clean energy technologies in public buildings where every individual who wishes to be part of this energy community can participate by buying shares. The energy generated can be directly consumed and locally stored while excess energy can be sold and reinjected to the energy grid.

22 European Federation of Public Service Unions, European Anti-Poverty Network (2022). Right to affordable, clean energy for all Europeans.

Local ownership of renewable energy systems implies many benefits. First, it ensures that the **value chain** will be **captured locally** and **monetary benefits** are kept in the **local economy** instead of flowing to big energy corporations and external investors. Thereby, it directly **benefits the local community** as the members of the energy community can share part of the profits among themselves or use it to develop new projects that benefit the community as a whole.

Second, local energy communities **keep individual investments affordable**, will **decrease** people's **energy bills** and lead to a more **efficient use of energy** as it is locally consumed.

Finally, local ownership of renewable energy systems both increases people's share in the economic benefits and **fosters social acceptance**: Local opposition to renewable energy projects (typically wind turbines) decreases when communities are given the opportunity to invest in and co-own the production installations. This is especially true when local communities are involved from the very start of the project, share in the profits, and have access to clean energy at a fair price.

Another important impact arising from the local production of renewable energy is that it reduces dependencies on fossil fuel suppliers outside of the EU and thereby significantly **decreases the exposure to geopolitics** improving **overall energy security** and **price stability**.



A housing renovation strategy will reduce energy costs and combat energy poverty

With the help of a well-designed renovation strategy that ensures houses are highly energy efficient, **energy bills** can be further **reduced** and energy poverty can be combated while overall living quality will be improved.

Through the introduction of minimum energy standards and the support of deep and staged renovation will be possible on the one hand, to reduce emissions and combat climate change and on the other hand, to ensure that **all people** - especially those with low income - are provided with **well-isolated houses**.

However, to avoid that this large-scale renovation becomes a ‘renoviction’ wave where low-earning households face additional costs, it is essential to ensure that the **renovation remains cost-neutral** for tenants. Moreover, it must be guaranteed that housing remains affordable which is why the support of social housing is essential.

Addressing social housing complexes will facilitate energy poverty interventions as it allows to target a large number of potential recipients in the same place and at the same time. Currently, social housing, cooperative housing and public housing account for around 11% of the housing stock of the EU Member States²³. Thus, targeted interventions will have a significant impact on energy poverty at European level²⁴.

Granting financial support for renewable energy infrastructure and capacity-building will empower local energy communities

In order to support the local production of renewable energy, the regulatory framework as foreseen in EU law needs to be combined with public policies and financial opportunities for the installation of renewable energy production devices, storage devices, highly energy efficient household appliances (for example buying support for low-income households suffering from energy poverty), the necessary infrastructure as well as for building renovation and other efficiency policies.

Moreover, **capacity-building** for individuals, potential **energy communities** and **municipalities** needs to be fostered: it must be ensured that information, advice and financing facilitating the take up of local renewable energy systems for individuals and smaller companies is available. This can, for instance, be done through the promotion of one stop shops for renovation and renewable energy generation projects which provide technical and financial advice for companies/homeowners wishing to deliver renovation projects. These measures must be directed towards everyone, but especially towards those suffering from energy or mobility poverty, and low-income households.

23 Pittini et al. (2017). The state of housing in the EU

24 JRC (2019). Energy poverty through the lens of EU research and innovation projects

Enforcing the liability of mining companies for the costs of repairing environmental damage will protect public funds better spent on social causes

According to the polluter pays principle, each company has the duty to reverse the environmental damage they have caused. To avoid that the environmental costs arising from mining practises are passed on to the general public, companies have to be **liable** for the **conversion and restoration of sites**.

Coal mining companies and coal power plant operators and their shareholders that, for decades up to the present day have benefited financially from public support despite the considerable costs their activities have passed on to society must not be compensated by the EU or privileged by state-aid. Corporate liabilities such as for cleaning up sites (e.g. groundwater restoration, landscape refurbishments) must not be underwritten by the general public either.

More generally, polluting companies should be required to set up financial guarantees for the environmental and social risks that their activity may cause and to internalize the negative externalities of their activity, even when it is over (cost of site clean-up and restoration of the damage ecosystem in particular).

It is also essential that **local communities** are **closely involved** in the decision making on the **clean-up and conversion of former mining sites** as it is they who should determine how the regained areas of land should be used best.

Sustainable agricultural practises and shorter value chains enable access to healthy and affordable food

While costs of agricultural inputs have risen, food prices have been deliberately kept low in the EU since the 1960s. The establishment of the WTO in 1994 was a milestone in that process by imposing low world prices as the reference for EU domestic prices without any correlation with the real production costs of farmers. Without an in-depth reform of the Agreement on Agriculture of the WTO, a Just Transition will not be possible.

While formerly food expenses accounted for 30% of people's total spending in 1962, today only around 13% of the total spending is used for food, resulting in a situation where the **agrochemical, distribution and retail** segments of the value chain are **extracting more and more** and **farm gate prices and farmers' incomes** have **stagnated**.

Justified calls for **fairer, more respectful and higher prices for the food farmers** must be passed on to consumers via higher food prices, while strongly advocating for an increase in minimum wages, which are not sufficient to cover the fixed costs, including food of European citizens, and the improvement of food safety net for the most deprived. Every EU citizen should be able to access sustainable and healthy food. However, while production costs at farm level are only a very small part of the final food price, retailers, processors and input sellers currently receive the biggest share of the added value and often leave farmers no chance, but to accept selling their products for bad trading conditions.

Shorter value chains that bring farmers closer to their consumers through direct sales will enable **affordable food** for consumers while at the same time ensuring that the **price respects the producers**, allowing them to live in dignity and make a decent living.

Rather than producers desperately trying to minimise costs at the expense of the environment so they can compete on the market, they will have an ensured local and regulated market of loyal consumers satisfied with their products. Thus, **sustainably-produced food** distributed via **short local circuits** or through community supported agriculture will not be more expensive than supermarket equivalents, especially if intermediaries that currently receive the biggest share of the price are avoided in the retail chain.

Price Transparency is needed to protect farmers and consumers

Quality, nutritious and safe food such as organic food must not become the exclusive reserve of the rich. In this regard, much depends on the retailer and the supermarkets as they are currently the ones that receive the highest profit margin.

Thus, increased **transparency on price construction and profit margins** is needed, along with more accountability and dialogue. This is not an abstract or impractical concept as there are already very successful brands that are transparent on how retail food products are made and priced and, indeed, involve consumers in their business²⁵ model as well as applications that consumers can use to compare value chain information between brands.

It is therefore necessary to **rethink**, through both private and public initiatives, **how the price is fixed** in the EU in order to cover costs of production and fair income for farmers and **how the value is shared** in the food value chain so that farmers and consumers are protected rather than systematically getting the worst deal.

Public Procurement should prioritise locally and organically produced products

Organic, plant-based as well as **locally produced products** must be **supported** and **given priority in public procurement** for schools, hospitals, nursing houses, prisons, offices and large organisations. Moreover, public authorities, to foster the development of short circuits, should support their restructuring through sectoral support, as it is the case for conventional food value chains.

Keeping food prices fair and affordable by lowering VAT for organic and local food products

As the need for additional labour due to more sustainable farming practises can be offset by higher prices, consumers must be protected from potentially rising food prices: Although production costs are only a very small part of the final food price, there is a certain risk that the increase is fully transferred to consumers.

Moreover, the re-localisation of food production might result in an increase of food prices due to less international competition. In order to keep food prices reasonable for consumers, the VAT for organic products, products issued from less environmentally impactful production methods, plant-based products as well as locally produced food should be lowered.

25

See for example "C'est Qui le Patron" in France



Recovery of fish stocks will lower the prices of certain species

Transitioning to sustainable fishing practises might result in higher prices for consumers. However, as **fish stocks recover and reach sustainable levels** as foreseen in the Common Fisheries Policy Regulation, for certain species this will result in both lower prices and more local supply chains. A greater focus on small-scale fisheries will also ensure a fair price for fishers. **Catch for human consumption** needs to be **prioritised over catch for animal feed**, which should be phased out completely.

Avoiding unnecessary commutes will spare households and businesses expense, inconvenience and time

One of the principal virtues of the necessity of the transition in transport is **reducing the need for travel** and its associated costs in the first place.

A key lesson of the corona pandemic is that, in a service dominated economy with good digital infrastructure, **virtual meetings** can be as, if not more effective than physical ones.

Saving the hours of commuting not only reduces congestion, pollution and stress but frees up valuable time for personal and professional use, hence improving both productivity and conciliation

From a business cost point of view, replacing business flights with good quality video conferencing saves thousands of euros per employee concerned and, potentially, a staggering **1.4 trillion USD globally**²⁶ (similar to the GDP of Spain).

Video links are now available for many kinds of personal consultations including medical, educational, commercial and financial services. Generalising such remote consultations and reaching the least advantaged households, would save both private individuals and the service providers huge amounts of time while keeping the transport routes uncongested further reducing the inconvenience and costs for more essential uses. Remote working must rely on interoperable, free, open-source videoconference software in order to avoid big technological companies seizing the market with flawed non-privacy friendly products and locking-in the public sectors in solutions over which they have little control.

Honest pricing of different modes will enable the majority of people to save money on transport

Many people suffer from lack of adequate, affordable, reliable, quality, safe and environmentally sound transport that underpins a decent standard of living and health and allows participation in the economic, political and social life.

Enforcing the “**polluter pays principle**” and making a wider variety of **cheaper, better integrated transport** available and **reducing the role of cars**, which are expensive both individually and societally, even in electric form will help combat such “mobility poverty” significantly.

We all pay much more for transport than we think, even if we do not own a car or road vehicle or fly. The EU Commission²⁷ estimates hidden costs to EU taxpayers of cars alone to be around 550 billion euro per year (about **1.500 euro per adult** or 1.800 per car) - costs that we are all together subsidising regardless of whether we own a car or not.

26 <https://www.gbta.org/blog/business-travel-full-recovery-expected-by-2025/>

27 Handbook on the external costs of transport. Version 2019 – 1.1

We pay, through taxes or extra personal expenses, for wasteful road expansion schemes, human health from air pollution, the human and medical costs from road accidents, lost business through congestion, the social costs of the exploitation of workers such as lorry drivers, damage to agriculture and buildings and all of this coming on top of the cost of staving off climate mitigation and adaptation. Ensuring these **costs** are properly **reflected in prices** will **encourage demand for truly cost effective modes of transport** and allow people to **pay only for what they need**.

In addition, fair pricing will automatically **encourage shorter supply chains** and promote **resilient local economies**.

This means a significant saving for most people and in particular for the least wealthy in society and those who contribute least to the currently hidden costs of the transport system. More and better integrated modes of transport will mean **fewer cars** as more people can have **realistic alternatives** such as car-sharing for occasional and particular needs, and can avoid the high financial burden of owning one.

For households and individuals where it still makes practical sense to shoulder the true costs of owning one, fully renewable-energy powered vehicles will of course be available.

Clear and aggressive **deadlines** for **phasing out the internal combustion** engine will ensure the car industry invests all its cash and ingenuity in **affordable clean vehicles**. This will inevitably drive the costs of clean vehicles down.

Integrated and tailored approaches to business freight will be more cost efficient

Segmenting the mode of transport of goods by volume and distance allows a “horses for courses” approach rather than the current one-size-fits-all lorry-dominated paradigm of road transport.

The use of, for example, clean cargo-bikes in built up areas at the shortest end, clean barges on inland waterways and clean trains for the long haul dramatically reduces not just pollution and congestion but also the costs relative to “mono-modal” distribution.

The use of **digital technology** will be able to vastly improve logistics and mobility management that supports **smarter “pooled” distribution** that avoid the unnecessary expense and congestion of completely or partially empty freight vehicles in transit.



Shifting tax, regulation and subsidy to make sustainable transport options attractive

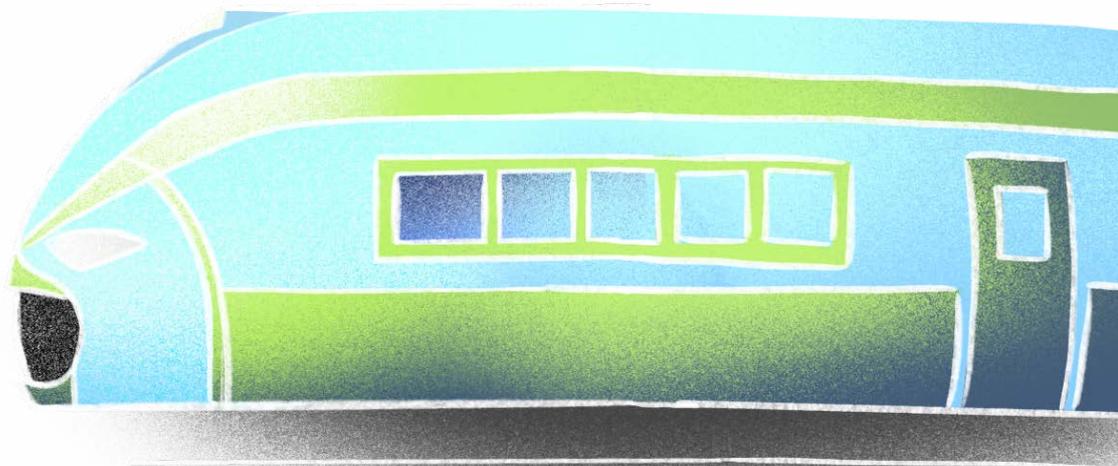
A **coherent tax, regulation** and (explicit and implicit) **subsidy shift** is needed to reflect and fairly distribute the true **all-in cost** to society of different transport modes and infrastructure.

This should not take the form of simply subsidising electric car, van or lorry purchases as this does not address the cost stemming from, for example, the volume of vehicles and inefficient occupancy (e.g. accident rates, space used in cities, time spent in traffic jams etc.).

It would rather consist of making the **most efficient and sustainable transport options for different uses as attractive as possible** primarily through **removing the hidden subsidies to fossil fuel based transport** and where appropriate, using temporary subsidies to stimulate demand and supply.

Subsidies could then be redirected and invested smartly into **green mobility infrastructure** both at urban (public) transport and inter-urban level (rail) and, where necessary, supporting those for whom there is no feasible alternative to an electric road vehicle to meet their needs such as, for example, a rural doctor or people living in areas where adequate public transport cannot reach.

A proper internalisation of costs also has a strong social dimension. Rules that ensure fair wages and working conditions for transport workers will also ensure exploitative employers cannot shirk the related costs (for example fair driving and rest time provisions for lorry drivers). Moreover, a modal shift will greatly mitigate the negative health and broader socio-economic consequences of congestion, pollution of air, soil and water, accidents currently associated with road transport.



A JUST TRANSITION AND ITS IMPACT ON WORK AND INCOME

Jobs linked directly to fossil fuels will disappear while a greater number of new jobs in services, industry, energy efficiency, renovation and the renewable energy sector will emerge

A change in energy production offers new economic opportunities: While the closure of polluting plants and mines will result in a loss of jobs in the lignite, peat and coal-mining sector, **new employment opportunities** will arise at the same time. This will contribute to the 2030 targets of the European Pillar of Social Rights Action Plan where at least 78% of the population aged between 20 and 64 will be in employment by 2030.

First, the conversion of former mining fields will ensure **local employment for post-mining communities**.

Second, the shift towards renewable energy will require **additional workers** for the development and the construction, but also for the maintenance of **renewable energy infrastructure** and therefore promises a positive impact on employment. It is expected that through the deployment of clean energy technologies between 100.000 and 300.000 jobs can be created by 2030, reaching 460.000 by 2050²⁸.

On top of that, the **investment in energy efficiency** will create **additional employment opportunities**: It is estimated that for every million that is being invested in efficiency measures, between 9 and 20 jobs are created in the manufacturing and construction sector²⁹.

The **scale up of renovations** to the level needed to achieve an 80% reduction in energy waste can create an additional 1.3 – 1.4 million direct local jobs³⁰. By committing to the Renovation Wave Strategy, additional 160.000 green jobs could be created in the EU construction sector by 2030. It is important to ensure that these jobs are decent and offer good working conditions and adequate living wages.



28 This is according to the findings of the Joint Research Centre <https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/clean-energy-technologies-coal-regions>

29 The Energy Efficiency Industrial Forum <https://euroace.org/wp-content/uploads/2016/10/2012-How-Many-Jobs.pdf>

30 Employment and Social Developments in Europe, Annual Review 2019, European Commission.

Thus, the support of **deep renovation projects** is crucial as it **creates jobs at the local level** and helps to reduce carbon emissions by making buildings more energy efficient. Furthermore, deep renovations integrate renewable energy sources into buildings and therefore provide experience and skills in working with renewables for workers in the construction sector. This promotes the transition in the workforce towards a renewable based economy.

Workers in the fossil fuel sector have to be supported through active labour market policies

Although the expansion of renewable energy systems and improvement of energy-efficiency will have a positive effect on net employment, people currently employed in the lignite, peat, gas and coal mining sector might be faced with loss of jobs as a consequence of the closing of polluting energy plants.

For this reason, creating an **adequate safety net** for all **workers in the fossil fuel industry** is important. Moreover, it is essential to provide **educational curricula, professional re- and up-skilling** through programmes such as EDDIE³¹ to equip individuals with the required skills, including a set of digital skills where relevant, in order to create a viable and sound path that leads to professional diversification, as well as ensuring the use of the existing EU funds which remain under-used.

The process towards a decarbonized economy must not lead to social disruption, but has to unlock **future-oriented, decent, sustainable and safe employment opportunities** as part of a new industrial strategy that is based on sustainable energy systems which stretches beyond the mining regions to efficiently and democratically provide renewable energy to all households. The new strategy must be accompanied by an ambitious and well-resourced budgetary support tool for the regions in transitions to cope with significant restructuring of their job market reaching the entire value chain. The **mining heritage** as well as the **skills and competences** of the local people have to be **valued**, when new economic paths are developed.

The promotion of **gender equality, gender mainstreaming, equal opportunities** and **women's labour market participation and entrepreneurship** should be ensured throughout the whole process.

Sustainable agricultural practises require more workers and therefore create jobs

The transition to sustainable and more organic agriculture practises implies more work for farmers as well as the need for new materials and methods. Therefore, this transition creates **new job opportunities** - estimated to be around **20% more** than currently - as sustainable farming practises such as mechanical weeding might in some production systems require additional labour.

To convert this additional labour need in new green jobs, it is crucial to improve the attractiveness of agricultural work by ensuring fair wages, decent working conditions and a vibrant rural environment.

The additional labour costs can be offset by higher prices - as mentioned above - increasing profitability for farmers, but must additionally be supported via a regulation of the production volumes (organic and non-organic).

31 <https://www.eddie-erasmus.eu/>

Farmers will benefit from higher profits

Although farmers experience different situations depending on their Member State and the size of their holding, they tend to be among the poorest population in the EU. It is thus extremely important to ensure that **family farmers and workers** are economically **benefiting** from the ecological transition.

Transitioning to sustainable agricultural practises will **increase biodiversity**, but yields might decrease in the short term in certain cases. However, the perceived risk of lower yield is often over-played by vested interests that aim to maintain the dependency of farmers on expensive and environmentally damaging inputs. According to a study, in $\frac{2}{3}$ of all cases, the transition to agro-ecological methods increases biodiversity **without any costs to farmers' yields** compared to conventional chemical-based farming³².

The change of production systems and the rebuilding of biodiversity will obviously take time, but even if yields might decrease in the beginning, **agro-ecological practises** are usually **more profitable for farmers**, as they allow for more resilience and thus more stable yields³³.

Moreover, organic agriculture is **more profitable to society** than conventional agriculture, because intensive agriculture spends increasing amounts on **pesticides** and **fertilisers** produced by a small number of huge agrochemical concerns in order to compensate for soil and biodiversity degradation that those methods themselves cause. Thus, contrary to the common belief that synthetic pesticides help farmers to secure higher revenues, the economic efficiency of using these products is negative and is still decreasing³⁴.

In addition, **decreasing** the total **EU herd size** and **terminating soya-based feed** while switching to pasture-based grazing, does not only address the problem of the overproduction of livestock in the EU, but will result in lower costs for farmers.

Fair and adequate working conditions and salaries for farm workers have to be ensured

The Just Transition actions have to be accompanied with adequate salaries and protection of working rights of farm as well as agri-food workers. Farmers have to be aware of their responsibilities as employers towards their workforce in order to ensure that labour rights are respected. It is also crucial that workers, especially migrant, seasonal, temporary and cross-borders workers, are rightfully informed about their payment, employment and social rights, receive fair wages and have access to healthcare, social security, and housing.

Cooperation among farmers needs to be fostered

Farmers should be empowered to work cooperatively to ensure fair prices that cover production costs, but also provide a profit. Through collective organisation small farms can not only mutualise risks and increase their bargaining power vis a vis distributors and retailers but also regulate their production.

Currently, only between 3% and 10% of the final product's price are going to the farmers whereas retailers receive almost 40% of the product's price. Thus, policies that promote farmers collectives and cooperatives are required to guarantee that farmers receive a fair share of the final product's price.

32 Tamburini et al. (2020) Agricultural diversification promotes multiple ecosystem services without compromising yield. <https://doi.org/10.1126/sciadv.aba1715>

33 Van der Ploeg et al. (2019). The economic potential of agroecology: Empirical evidence from Europe. <https://doi.org/10.1016/j.jrurstud.2019.09.003>

34 Pesticides - A model that's costing us dearly: An initial cost-benefit analysis of the pesticide sector at the European level. (2021). https://lebasic.com/wp-content/uploads/2021/11/Pesticides-a-model-thats-costing-us-dearly_EN-Synthesis.pdf

Support of knowledge exchange and investments in trainings are needed to move towards agroecology

The **support of training, knowledge exchange and investments for farmers** is necessary to avoid a decrease of their revenue and to assist them by moving towards agroecology in order to overcome the short-term decrease in yields and overall production. Thus, educational curricula, professional (re-)training and (re-)skilling for sustainable agricultural practises need to be provided, which would be even more effective in combination with an update of the EU' patent rules.

Public subsidies to agriculture should reward sustainability of production and employment potential and not the size of a farm

One of the most glaring misalignments of the EU's Common Agricultural Policy and the requirements for sustainable food production is payments based on farm size.

Currently, 80% of the CAP subsidies are distributed to just 20% of the farms as the allocation of funds depends on the amount of land instead of the agricultural practises. To overcome and prevent this unjust allocation of funds that favours the biggest landowners, the transition must ensure that **subsidies** are granted based on **effective social and ecological criteria** instead of tying payments to the hectare of land owned/worked, ensuring a **fair allocation of funds** that **supports small farmers**.

It is also important to acknowledge that farmers transitioning from unsustainable methods and new entrants to sustainable farming face financial risks during the transition phase and therefore have to be properly supported throughout the entire process. Thus, public funds such as the CAP need to be targeted at supporting those changes.

Agroecological approaches increase food security and therefore price stability

By implementing the transition actions mentioned above, the **environmental cost of food** and its **carbon impact** will be significantly **lowered** while **food security will increase**: Agro-ecosystems will become more resilient to shocks and extreme climate impacts of floods and droughts. For example, agroecological approaches that build deeper top soils create deeper roots leading to crops that will **better withstand droughts**.

Moreover, increased life in agricultural soils implies better drainage and absorption of water, thereby **avoiding suffering from or contributing to flooding**.

Finally, diverse cropping systems with semi-natural habitats for biodiversity will **reduce susceptibility to pest attack, provide predators to regulate pest populations** and will **boost pollinators** and thus crop yields.



The EU must develop a new international approach to global food security

The transition to sustainable food systems must be fair inside the EU but also outside. Currently the EU contributes to global food security by being a net exporter of key agricultural commodities such as cereals, meat and dairy products. This is the promise of “modern” western agriculture focused on productivity: feed the world. Nevertheless, the number of people suffering from undernutrition in the world is on the rise, yield in main agricultural areas are stagnating and the system is very vulnerable to crisis.

Instead of flooding developing countries market with cheap agricultural products, the EU should focus on helping them to develop their production capacity in order to build regional food stability hub. Cooperation instead of competition. In that line, it is crucial that the EU contributes to the emergence of a new global food governance moving away from the sole focus on commercial rules to integrate the right to food sovereignty.

Developing a sustainable European food system is also the best way to stop being a net importer of food calories (10% of its domestic consumption) notably because of the overdevelopment of animal farming to a net exporter³⁵, contributing effectively to global food security.

Increasing the quotas and days at sea for small-scale coastal fishers will create new jobs

The necessary reduction in fishing effort and the decline of industrial fishing practises will imply job losses in the fishing industry in the short term. However, sustainable fishery practises by small-scale coastal fishers require significantly more workforce. Thus, while there will be job losses in the bottom trawling industry (which only represents a limited sector of the entire fishing industry), the loss of jobs can be absorbed by increasing the quotas and days at sea for small-scale coastal fishers.

Overall, a Just Transition has to result in countering the trends to more concentration of power and capital in the hands of a limited number of fleet owners and companies towards a more diversified, small-scale and low impact economic modal.

Reskilling and providing income diversification opportunities for bottom trawling workers and small-scale fisheries

To complement the creation of jobs through the allocation of higher quotas and days at sea to small-scale fisheries, there needs to be a clear strategy to ensure the reskilling of workers and crew members that could lose their job due to the necessary reduction of fishing effort. The reskilling should go hand in hand with the integration of these workers in other sectors of the blue economy, such as pesca-tourism, management of protected areas and others.

Furthermore, training and income diversification opportunities should also be provided to small-scale fisheries in order to increase their resilience, improve the livelihood of the local communities that depend on them and create a safety net for the segment until a fair allocation system for fishing opportunities is established.

35 Schiavo, Le Mouël, Poux, Aubert. (2021). An agroecological Europe: What impact on land use, trade and global food security? https://www.iddri.org/sites/default/files/PDF/Publications/Catalogue%20Iddri/Etude/202107-ST0821_TYFA%20World_1.pdf

Improving working conditions on board vessels and providing adequate training

In order to facilitate a generational renewal and the continuity of the fishing activity it is necessary to improve the **safety and working conditions on board vessels**, to **provide training** and **ensure job recognition**, as well as to enhance and recognize the involvement of women in the sector. Adequate training for fishers will play an indispensable role in a transition to sustainable fishing techniques.

In particular, due to the high rate of trafficking, abuse and poor working conditions, specific attention must be paid to the situation of third-country nationals on board EU fishing vessels in order to protect them from exploitation and to ensure they are afforded the full labour rights of their EU-counterparts.

The volume of long distance leisure travel must reduce but local tourism will flourish with positive impact on value for money, local economies and jobs

Making air travel in its current form more expensive through including the externalised environmental costs, in fact has a rather limited impact on the majority of people in the EU. Even in the richest Member State, Germany, 65% of people do not fly at all.

Globally of course, air travel still remains a luxury confined to a relatively few, with just **1% of (mainly business) flyers** responsible for **half of all that modes' emissions**.

Nevertheless, the **expansion of alternatives for medium distance travel** and, in particular, **rail** will be a boon to most of those who currently holiday in Europe, for example: the cost will be comparable or even lower when the door-to-door cost is taken into account.

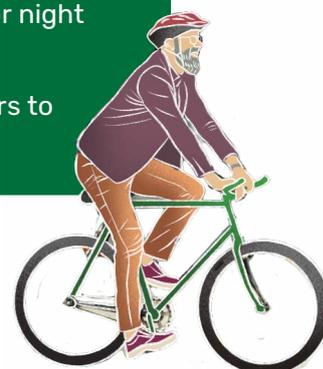
Local tourism will boom on the other hand leading to a wealth of lower cost but equally fulfilling holidays and, importantly, a significant increase in jobs and economic opportunities within the EU. Moreover, the improvement of local sustainable transport options will benefit tourists as well as locals and is thus a win-win situation for both.

Reskilling shipping, aviation and road transport workers

There must be a thorough assessment of requirements and a roadmap for ensuring **reskilling of shipping/aviation/road transport workers** - for example enabling them to move to the new long-term jobs that will be created to support an increased choice of transport modes, efficiently integrated networks and improved logistics.

EXAMPLES

- › Some crew from decreased short-haul flights could be converted to rail staff, with similar impact on daily routines (nights away, conciliation, etc.), since the origin and destination cities would be approximately the same
- › New jobs created in the construction of tracks and rolling stock (e.g. for night trains, refurbishing for bike-carrying, etc.)
- › Repurposing traditional automotive manufacturing and training workers to build components for electric vehicles



THE ECOLOGICAL TRANSITION AND ITS IMPACT ON PERSONAL CHOICE, LIFESTYLE & LEISURE

Formerly polluted mining sites will be reconverted to collectively beneficial areas

The phase out of coal, lignite and peat and the closing down of heavily polluting plants will be a huge gain for local communities. Through the conversion and restoration of the environmentally damaged sites, **green spaces and landscapes will be created.**

Furthermore, the organisation of society and urbanized areas must be rethought to promote a better quality of life. This conversion of former damaged sites must be done in consultation with the local population, respecting the principles of information and public participation.

The conversion of these areas can be combined with the **creation of new areas for leisure, sport, tourism or renewable energy systems.** The development of such projects benefits from the existence of infrastructure and extensive land availability.

Possibilities and offers to buy healthy, seasonal and locally produced food will increase

Shorter circuits and a **re-localisation of food and feed production** are essential to ensure sustainable agriculture systems but without a regulation of production will not be sufficient to assure fair prices for farmers. With regards to animal products, this implies a steep decrease of meat and dairy production in the EU which consequently will affect the availability and prices of meat and dairy products. Some products will also be less available out of their production season. This will thus require a shift in consumption habits and patterns.

However, shorter value chains and direct sales will bring farmers closer to their consumers and thereby enable **direct access to and a range of choice of healthy, seasonal, locally-produced and affordable food for everyone.**

Personal choice about how, when and where to travel will be greater

The **diversification of transport modes** in the vision offered above is key to preserving the personal freedom of travel in a sustainable society.

One key improvement to individual travel is to **dissociate individual ownership** - with its high sunk costs - **from individual use** that is much cheaper and more flexible.

Already people are opting in massively to **car-sharing schemes** that can provide the **same freedom of choice** about when and where to travel while completely **avoiding the up-front costs** of car ownership and greatly improving the overall efficiency of individual travel. This will improve the environment of many communities: in cities, private cars stay unused for around 23 hours on average, while taking up much of the public space.

Simultaneously there has been an explosion in the market for even more **cost efficient and convenient alternatives** to individual car travel such as e-bikes and scooters to rent or buy that dramatically cut the cost and time of the mobility. We need to **expand the access to these new alternatives to more territories**.

This “**modal shift**” in personal transport would ‘shift’ from individual to an **optimised public transport system**, ideally free or very low-cost, well-funded and with binding quality criteria, and urban and rural redesign that is also delivered by the transition, clears the road network for the far fewer journeys that cannot be accomplished by other vehicles meaning that when, for example, you do need to reach the hospital quickly, the risk of getting stuck in a jam is far lower than today.

Lastly, the flexibility of travel will be improved by smart integration between the **different modes** of transport that suit **different uses**. This is achieved through a transport system that focuses on “network speed” from door to door, where switching between different modes of transport - e.g. on a journey on foot, by hire scooter, tram, train - is facilitated by well-planned infrastructure, timetabling, and easily usable combined ticketing offers.

Public transport will meet far more of our individual needs

In order for public transport to respond to individual needs, to be accessible and to be a leverage in the environmental transition, a **twofold strategy for public transport** will be adopted.

On the one hand, public transport will become **more effective and efficient**. This improves cost and resource efficiency of the system itself, but, crucially, it hugely reduces the need for, potentially costly, individual transport solutions, especially for those for whom even the clean and cheap ones described above are not practical.

There will be a mutual reinforcement effect where cheaper alternatives for individual transport at the short end of the distance spectrum lower the demand for cars and create more demand for public transport in the middle of the spectrum. This in turn creates a virtuous loop of **increasing demand and investment, generating economies of scale** that can lower the unitary cost of the service and improve the **quality** of public transport infrastructure.

On the other hand, public transport will be made **free or very low-cost** at the point of use, thus rendering the public transport network more attractive and ensuring that people will switch to public transport and away from polluting modes of transportation as fast as possible. The quality and funding of the public transport offering should be improved in tandem. Funding can come from a variety of sources, including through fairer taxation and earmarking.

At the same time, free or very low-cost public transport will help to fight economic inequalities by making transport more accessible for citizens with a lower income and those living in isolated areas.

It is important that the public transport network reaches, with enough frequency, the peripheral areas (both urban and rural), since often those people living there are lower-income households, for which the absence of an affordable alternative means a disproportionate burden on their transport expenditure and/or cost in terms of time lost.

Redesigning cities, towns and villages enables a move away from car-centric cities and will revitalise neglected rural communities

Another paradigm shift that is required for sustainability and also reduces the burden of travel is the **redesign of the layout** of our cities, towns, villages and the spaces between them.

Concretely this means **moving away from the “car-centric” urban layouts** - huge commercial centres on the outskirts of towns, vast surface areas inefficiently allocated to roads and parking spaces and unusable by pedestrians or, indeed, any other form of transport, housing or commerce.

It also means **breathing life back** into the neglected rural communities by ensuring that public and private services such as schools, health centres, shops and leisure are brought into proximity and residents do not need to travel long distances to access them.

Investing in well-tailored sustainable transportation modes, urban and rural planning and digital infrastructure

At EU and national level we must **shift investment from big ticket flagship projects** (as is done today under the EU TEN-T program) to infrastructure that fosters a choice of **sustainable transportation modes** better tailored to the **needs and means** of the broad public such as:

- › **Regional cross-border connections** to turn existing patchwork of national networks into a truly European network
- › **Multi-modal transport** that provides the best infrastructure to connect different types of individual and commercial transport optimised for different distances and purposes
- › **Seamless interconnections between the different modes** including physical (e.g. bike parks at stations, bike space on public transport) and digital infrastructure (for booking, multi-modal information, coordinated timetables and multi-modal, easy ticketing)
- › Incentives and subsidies to move freight to sustainable logistic chains via the combined transport directive

Investment is essential in cross-border rail integration. The **European Rail Traffic Management System** should be improved to allow the smooth integration of the currently divergent systems implemented in different Member States. Cross-border operations for freight and passengers must be made smoother and technology put in place to allow for better infrastructure capacity utilisation so trains can run at closer intervals.

There may need to be **changes in rules and funding** for urban and rural planning to ensure new buildings and infrastructure reduce the distance between people and businesses and the places they need to go and green logistics (parcel pick up places etc.) to make delivery more efficient.

Investment in **digital infrastructure** is needed for remote **working** and remote **access to services** as well as design and implementation of schemes to promote remote access to work (e.g. to offset the extra energy and material costs that shift from the workplace to home). By improving the digital infrastructure not only in cities, but especially in rural communities, everybody will have access to quality internet which will close the digital gap.



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**A JUST
TRANSITION
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CONTRACT:
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