Social Platform submission regarding the forthcoming proposal for a Council Recommendation on addressing the social and labour aspects of the just transition towards climate neutrality

1. Place wellbeing at the centre, upholding EU fundamental rights, including social rights

Every policy and action to deliver the green transition should contribute to the full implementation of the European Pillar of Social Rights ('Social Pillar'). The SDGs and EU fundamental rights must be prioritised across the green transition by putting the wellbeing of all people at the centre. To make sure that the green transition and social progress go hand-in-hand and are mutually supportive, a tracking methodology linked up to the indicators of the Social Scoreboard should be put in place, ensuring that policies addressing the green transition contribute to the full implementation of Social Rights. We call for the Council recommendation to require a social and distributional impact assessment of all EU policy proposals.

2. Prioritise the creation of quality, green jobs

We have an opportunity for 1 million additional green jobs supported through FIT for 55 to be quality jobs. The package must promote the investment for the skilling and re-skilling of workers who will be affected by the changes to work caused by the green transition. Actors such as Public Employment Services and social economy actors should be valued partners providing training and job opportunities for people in vulnerable situations, including young people, and be supported through adequate funding. The policy packages must be comprehensive and holistic in scope, and integrate all related EU initiatives including: the Effective Active Support to Employment (EASE) Recommendation, Employment Guidelines for 2020, the European Skills Agenda, the 20 principles of the Social Pillar, the Circular Economy Action Plan, and the forthcoming Social Economy Action Plan.

3. Strengthen social protection, social security coverage and essential and social services

Social protection will be vital for those who will lose their jobs while we convert to a carbon neutral economy, and also to those who already are not or cannot be in employment. The green transition should be accompanied by strengthened social protection and social security coverage for all workers, including platform workers, the self-employed, and people who cannot be in employment who will be impacted by the transition. To be future proof, these policy reforms must be accompanied by the creation of basic safety nets for all people, including the introduction of a minimum income, to ensure that everyone can live in dignity at all stages of life. Increased funding should be disbursed to support and strengthen access to essential services to tackle and prevent energy and mobility poverty. It should also strengthen the accessibility, affordability, adequacy, availability and coverage of social services that play a fundamental role in supporting people's diverse needs. It should be accompanied and supported by the introduction of the European Unemployment Benefit Reinsurance Scheme (EUBRS) as a permanent instrument that emphasises the quality of minimum standards set for unemployment insurance systems.

4. Promote fair taxation

To complement the green transition, the EU economic governance must be urgently reformed to balance social, environmental and economic priorities, by taking into account the wellbeing of all people and the planet. This must be backed by ambitious tax reforms, including the upcoming proposal to implement the minimum global corporate tax rate, that fairly redistributes wealth and enables investment into social protection and social services. This should more broadly contribute to systemic change that addresses the root causes of social inequalities.

5. Strengthen the scope and budget of the Social Climate Fund to balance social and environmental impacts

The Social Climate Fund must ambitiously address social inequalities made worse by environmental issues, including energy and mobility poverty. While Member States should commit adequate own resources to deliver a just transition, we need to comprehensively capture the intersecting social and environmental impacts on all people and groups, including in the National Energy and Climate Plans. This must be facilitated by applying the Commission's upcoming guidance on distributional impact assessments in budgeting and planning of reforms, the upcoming gender impact assessment methodology to be applied to certain programmes in the EU budget, be supported by regular reporting cycles and draw on disaggregated data.

Member States should be strongly encouraged to draft their National Energy and Climate Plans with quantitative national targets, in line with all relevant initiatives.

6. Uphold civil society engagement and the participation of people

The transition will only be successful when it is just, participatory, and inclusive. The transition towards a 100% renewable energy system should fight inequalities and ensure that people both benefit from and actively participate, particularly those in vulnerable situations. People's engagement, empowerment and agency in the transition should be fostered through meaningful and structured civil dialogue throughout the transition.

The full implementation and monitoring of the green transition towards climate neutrality should be supported by regular reporting cycles, measured by disaggregated data that captures the lived reality of the diversity of people living in Europe and engage civil society across all stages of policy making.

Civil society need support to make the transition too. The Social Climate Fund should finance civil society organisations, social enterprises and social service providers working with people at risk/who have lost their jobs during transition.

The different policies should provide funding for capacity-building of civil society organisations at European and national level to ensure tailored policies that are truly inclusive and fair including in the Social Climate Fund.

Now is the time to place wellbeing and human rights at the centre of the green transition

Social Platform welcomes the EU's commitment to achieving a climate neutral Europe by 2050 and the initiatives put forward to make this a reality for all. We have an opportunity

now to think ahead and preempt the social impact of not just the climate emergency but also the shift towards a climate neutral continent.
The European Commission has identified that exposing today's EU economy to global warming of 3 degrees above pre-industrial levels would result in an annual loss of at least EUR 170 billion (1.36% of EU GDP). We know about the economic consequences of not greening our economies, yet we have not forecast fully the implications of what this shift will mean for people. Beyond the impact on GDP the cost of inaction would be tremendous in terms of humanitarian needs to deal with climate related disasters or the increase of food costs, public health costs, just to name a few.

Fit for 55 package translates the 2030 climate targets into specific measures and is a welcome acceleration of the EU's vision to be the first carbon neutral continent. Yet, special attention and provisions need to be in place in order to make sure that people facing multiple forms of discrimination, in particular those living in vulnerable situations, will effectively benefit from these measures.

A just transition will address negative and potentially regressive employment and income effects, particularly on vulnerable groups. A socially-just transition means guaranteeing that transformative change and progress takes into account the rights of all people, and prevents and corrects any negative impacts on affected communities.

Annex 1: Case studies

Case Study 1: People living with low-income or living in poor households

The rising cost of energy will affect people, in particular tenants, living in housing that has poor insulation and poor maintenance. People who own houses, but have low incomes, as well as people in low income/low paid jobs will be impacted by rising costs in energy. An analysis on the consequences on the implications for tenants or housing owners from low-income households should be addressed, as they will need financial support to be able to adapt to the necessary changes. The transition to green energy will create additional costs for these households that will have to invest to buy or modernise infrastructures such as installing new energy-saving systems, or buying more efficient electric appliances (e.g. energy saving appliances or buying new utensils or suitable pans). Therefore, low-income households need to be supported so that these investments can take place – whether they are owners or tenants of their home.
The green transition should not only focus on reducing the cost of energy for households, but also contribute to extending the lifetime of products. Re-use and repair activities are a crucial component to contribute to a fair and green transition, and an opportunity for social enterprises to provide meaningful, formative, local and green jobs to disadvantaged groups. Social security measures will be key to preventing greater impoverishment, particularly for poor or low-income households.
Green investment should address and eradicate the root causes that exacerbate vulnerabilities (i.e. via energy efficiency and renovations of buildings, clean heating and cooling, integration of renewable energy, access to zero-and low-emission mobility).

Quantitative national targets should be developed in order to contribute to reaching the EU targets.

Case Study 2: Young people

Failing to deliver on the just transition will also have significant impacts for the current and future generations of young people, who risk carrying the burden of both the impacts of climate change but also of inadequate responses to it. Young people in Europe already face significant challenges in today's labour market. They are more likely to be unemployed than other age groups, experience a difficult transition from education to employment, face a rise in low quality, precarious employment and are often the first workers to be made redundant in businesses undergoing difficulties. Age-based discrimination violates young people's rights to equal remuneration for work of equal value and to social security. This makes young people a particularly vulnerable group to the impacts that an ill-planned transition may create.

The just transition must be accompanied by labour market and social policies that support young people, among other people living in vulnerable situations. The Council recommendations should include specific measures for harnessing and maximising social benefits for young, such as:

- Member States must ensure adequate social protection coverage for all workers and the self-employed who will be impacted by the transition.
- Member States must invest in quality job creation from which young people can benefit. Investment in entry-level job creation in the green economy with decent working should be at the heart of any job creation policies in just transition plans.
- Young people must be made aware of their rights and entitlements stemming from the transition. For this, national and local governments should work with public employment services and education providers, including youth organisations, to provide young people with free, accessible and youth-friendly information about their entitlements to social security, including based on different contract types.
- Public Employment Services must play a vital role in supporting young people through the transition. This will allow them to provide more youth-friendly services, such as lifelong career guidance to support young people affected by the just transition as they enter and continue to navigate the labour market.

Case Study 3: The role of social enterprises, cooperatives and WISEs

Social enterprises, cooperatives and Work Integration Social Enterprises (WISEs) play a vital role in supporting the transitions to new jobs in particular for people living in vulnerable situations, including young people, and strives for more inclusive and integrated forms of employment at European level. It is necessary to acknowledge the role of WISEs and social economy actors working in the circular economy sector as valuable partners in developing training programs and giving job opportunities to those who are vulnerable to being left behind. According to the Impact-WISEs study, WISEs are often operating in the circular economy sector such as recycling, waste management, re-use etc. The role of WISEs and the social economy sector in circular economy has been acknowledged in the Circular Economy Action Plan and should be integrated in the measures and policies contained in the Fit for 55.

In the green transition, social economy actors and WISEs have three roles. Firstly, they are economic actors participating, through their activities to the transition. Then, they work on the integration of people living in the most vulnerable situations, ensuring that no one is left behind in the transition. Finally, through their pedagogical approach they have a raising awareness role on the transition towards their workers and the organizations they are working with. The Council recommendations should specify their role of being important actors in the green transition, especially in the circular economy sector. The main concern for this sector is to have the ability to upskill and reskill workers.

Case Study 4: Impact on women and carers

Women, and single parent households, are disproportionately impacted by climate change. Green transition policies should take into account the direct economic and social impact and the required investment in time (on care and domestic work) and money (i.e. income) these measures would imply. The Social Climate fund and all policies put in place to implement the green transition should integrate a gender impact analysis to alleviate the expected adverse impact on these groups.

Social Platform is the largest civil society alliance fighting for social justice and participatory democracy in Europe. Consisting of 45 pan-European networks of NGOs, we campaign to ensure that EU policies are developed in partnership with the people they affect, respecting fundamental rights, promoting solidarity and improving lives. Social Platform acknowledges the financial support of the European Commission's 'Europe for Citizens' programme, managed by the Education, Audiovisual and Culture Executive Agency (EACEA).