



Commission input paper for the virtual expert group meeting on “Creating full and productive employment and decent work for all as a way of overcoming inequalities to accelerate the recovery from the COVID-19 pandemic and the full implementation of the 2030 Agenda for Sustainable Development by Frank Siebern-Thomas, Head of Unit

Ensuring a fair green transition through decent green jobs

The time for action is now

Climate change and environmental degradation pose severe threats that require urgent action, as reaffirmed recently by the [latest Intergovernmental Panel on Climate Change \(IPCC\) reports](#). Human suffering and economic losses stemming from more frequent climate-related extreme events, such as floods, heatwaves, droughts and forest fires, are becoming more common. In the European Union, those [losses already average over EUR 12 billion per year](#). Those losses could reach an additional EUR 175 billion, which is 1.38% of European Union GDP, per year if global warming reaches 3°C above pre-industrial levels, as opposed to EUR 65 billion for 2°C and EUR 36 billion per year for 1.5°C. This would disproportionately harm certain groups, notably people already in vulnerable situations and regions already facing challenges.

The European “Social” Green Deal Commitment

The [European Green Deal](#), adopted in December 2019, sets out the strategy for the European Union (EU) to become a climate-neutral continent and transform the European Union into a sustainable, fairer and prosperous economy and society that respects the planetary boundaries.

The [2030 Climate Target Plan](#) from September 2020 envisions reductions in greenhouse gas emissions to at least 55% below their 1990 level by 2030 and sets Europe on a responsible path to becoming climate-neutral by 2050. This ambition was legally enshrined in July 2021 with the adoption of the [European Climate Law](#). To reach this target, the Commission proposed an interconnected set of measures in the areas of energy, transport, [industrial](#), taxation and climate policies, also called ‘[Fit for 55](#)’.

[Fairness and solidarity are defining principles of the EU’s green transition policies](#) and a requisite to secure broad and sustained public support for the transition. The European Green Deal stresses that the transition must be fair and inclusive, putting people first and paying particular attention to supporting those regions, industries, workers, households and consumers that will face the greatest challenges. A whole of society-approach that actively

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involves social partners, regional and local authorities, civil society and citizens to participate in the design and implementation of fair transition policies, including through new participatory models, is essential.

The green transition will change how we live, move and work. We need well-designed policies to realise its employment and social potential fully. To that end, the EU Member States adopted on 16 June 2022 the [Council Recommendation on ensuring a fair transition towards climate neutrality](#), following a [Commission proposal of 14 December 2021](#). This sets out comprehensive and concrete guidance to help Member States deliver policy packages that ensure the green transition is fair and leaves no one behind, also in light of the [REPowerEU Plan](#) to achieve energy independence from Russian fossil fuels as soon as possible.

With the adoption of this Recommendation, EU Member States commit to devise and implement policy packages to address the relevant employment and social aspects linked to the transition in a comprehensive manner and pursue an inclusive whole-of-society approach. The Recommendation addresses the employment, skills and social aspects of the transition in line with the [European Pillar of Social Rights](#).

Policies under this Recommendation pay particular attention to the needs of the people and households that could be most affected during the transition, particularly those already in vulnerable situations. The Commission will monitor the implementation of the Recommendation in the context of the [European Semester](#), the framework for coordinating economic and social policies across the EU.

Employment Benefits in the Green Transition

For our societies' sustainable economic development and well-being, the green transition must not generate just any kind of job but 'decent' jobs. This means that green jobs both in and outside the EU should deliver fair and adequate income, workplace security and social protection for families, better prospects for personal development, social integration, and equality of opportunity.

By creating quality job opportunities for everyone while taking measures to alleviate and prevent energy and transport poverty, [the green transition can contribute to raising incomes and reducing inequalities and poverty overall](#). It can thus help tackle pre-existing socio-economic inequalities and social exclusion, improve health and well-being, and promote equality, including gender equality.

[With the right accompanying policies in place, the green transition could in aggregate create around 1 million additional quality jobs](#) in the Union by 2030 and [2 million by 2050](#). However, in a pessimistic scenario, the impact of the green transition could also lead to job and GDP losses. Repercussions will vary by sector, occupation, region and country. Job losses are expected, for example, in some mining activities or fossil-fuel-based energy production and parts of the automotive sector.

Conversely, positive [employment effects of the green transition](#) are expected in the production of [renewable energy](#), the circular economy, the green infrastructure and [construction sector](#), [waste and water management](#), nature restoration and biodiversity preservation and climate change adaptation.

[Job creation due to climate change policies could help mitigate job polarisation in the economy](#). Future job creation is expected to increase job polarisation overall, as it will be driven by digitalisation and further integration in global production networks and value chains. Yet job creation due to climate change policies, albeit smaller in volume, is expected to mitigate these tendencies by adding middle-skilled, middle-paying jobs.

Policy Actions to promote employment and decent work in the green transition

In order to achieve these positive effects, and especially *create full and productive employment and decent work for all in the green transition*, three elements are particularly important to integrate in our policy planning:

1. Tackle any labour and skills shortages in driving sectors of the transition.

The success of the green transition will largely depend on [the right skillset of the workforce](#). Therefore, green considerations must be embedded in all cooperation portfolios about skills needs for traditional, new and emerging occupations.

The greening of the economy is a long-term, systemic transformation rather than a short-term transition. Existing trends and new challenges in the labour market and in certain sectors require significant up- and re-skilling of the current workforce, also through (re-) training at the workplace, to enable workers to keep up with the changes ahead and where needed reallocate within and across sectors.

Significant investment in reskilling and upskilling is required to ensure that workers are empowered to switch from occupations in declining sectors to green occupations or sectors. [Vocational Education and Training \(VET\)](#) and adult learning can act as an enabler of this transition.

[Social dialogue](#) has a vital role in addressing the employment and social consequences of the restructuring processes related to the green transition. Cooperation between companies, social partners and policy-makers at all levels can help anticipate the necessary skill needs of the future and in supporting training and skill development of the labour force.

Under the [Pact for Skills](#), so far 450 organisations have pledged to provide the right skills for 1.5 million people. Skills partnerships by industrial, social, regional and education partners have emerged, for instance in the area of offshore renewable energy. National governments should continue to set up such stakeholder partnerships.

2. Ensure that green jobs are decent jobs with fair remuneration and safe working conditions.

The green transition should ensure that the creation of green jobs goes hand in hand with decent, safe and healthy working conditions that ensure fundamental rights and equality. This is also an essential condition to attract motivated and skilled workers towards green jobs.

Ensuring the continued [fairness of tax-benefit systems and social protection systems in the context of the green transition](#) is particularly important. Shifting the tax burden away from labour and reducing the tax wedge for low and middle-income groups towards other sources contributing to climate and environmental objectives can support the people and households most affected by the green transition.

In June 2022, a historic political agreement was found between the European Parliament and the EU Member States on the [Directive on adequate minimum wages](#). The [Communication on Decent Work Worldwide](#) reaffirmed the EU's commitment to deliver on each SDG and champion decent work at home and around the world.

Improving health and safety standards at work is essential to protect workers' health. The COVID-19 pandemic has shown how crucial occupational health and safety is for protecting workers' health, our society's functioning, and the continuity of critical economic and social activities. In the green transition, particular attention will have to be given to workers in waste management and construction sectors as well as workers increasingly affected by health or extreme weather events.

In this context, the Commission has adopted the [EU strategic framework on health and safety at work 2021-2027](#). It sets out the key actions needed to improve workers' health and safety over the coming years. The Commission will propose this year a [revised directive to protect workers against asbestos](#). It also plans to prepare an [initiative related to mental health at work](#).

The accelerated digitalisation of workplaces and telework offer significant opportunities to advance the green transition, but we must also be mindful of their risks. On 9 December 2021, the European Commission proposed a set of [measures to improve the working conditions in platform work](#) and to support the sustainable growth of digital labour platforms in the EU. In January 2022, the European Commission further put forward a [Declaration on digital rights and principles](#) that will guide the digital transformation in the EU, inviting the European Parliament and the member States to sign up to it. The rights and freedoms enshrined in the EU's legal framework, and the European values expressed by the principles, should be respected online as they are offline. Once jointly endorsed, the Declaration will also define the approach to the digital transformation which the EU will promote throughout the world.

3. Pay special attention to the needs of youth and the most vulnerable workers.

It is essential that green transition policies put people first and pay particular attention to supporting those who will face the greatest challenges. The transition pathways are less evident for vulnerable people, which are the most exposed and less adequately equipped, on average.

Supporting labour market transitions of workers most affected by the transition, in particular, those with low or obsolete skills, is essential. Policy actions that promote active support to quality employment, such as tailored job search assistance, flexible learning courses for green and digital skills and employment programmes for people in vulnerable situations and hiring and transition incentives to accompany labour market transitions, play a crucial role. Measures to prevent and tackle mobility challenges for workers in vulnerable situations, especially in remote, rural and low-income regions and cities, are also encouraged.

In addition to active labour market policies, additional policies are needed to support young people in the EU facing barriers to joining the green economy workforce. The European Commission developed a [competence framework on sustainability](#) centred on core sustainability competence areas, such as embracing complexity in sustainability, envisioning sustainable futures, embodying sustainable values, and acting for sustainability. These competences should be integrated in curricula at all levels and all ages.

Strengthen international just transition frameworks

At the international level, the ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all provide a framework and a practical tool defining a just transition. At COP-24 in Katowice, 54 signatories (governments, industry and social partners) endorsed the Solidarity and Just Transition Silesia Declaration, including the European Commission on behalf of the European Union and 21 EU Member States individually. At COP-26, 14 governments and the European Commission signed a follow-up [Declaration on Supporting the Conditions for a Just Transition Internationally](#). It is essential to strengthen international cooperation further to ensure a fair green transition. A comprehensive, international whole-of-economy and whole-of-society approach to climate and environmental policies is required to reap social and employment benefits of the transition and ensure a just transition.

[The EU has made climate change a central element of its external policy](#). It works with its global partners to advance climate action and provides financial support to developing countries. More than a third of the EU's budget reserved for support to neighbouring and developing countries is set aside to step up efforts on climate change. In 2020, [€23.39 billion in climate finance](#) was committed by the European Union and its 27 Member States to support developing countries in reducing their greenhouse gas emissions and adapting to the impacts of climate change.

In summary, no one - no person and no region - and no transformation potential can be left behind: we need to share responsibility and translate our ambitions into actions with no delay.