



Thédate training session
7 November 2025

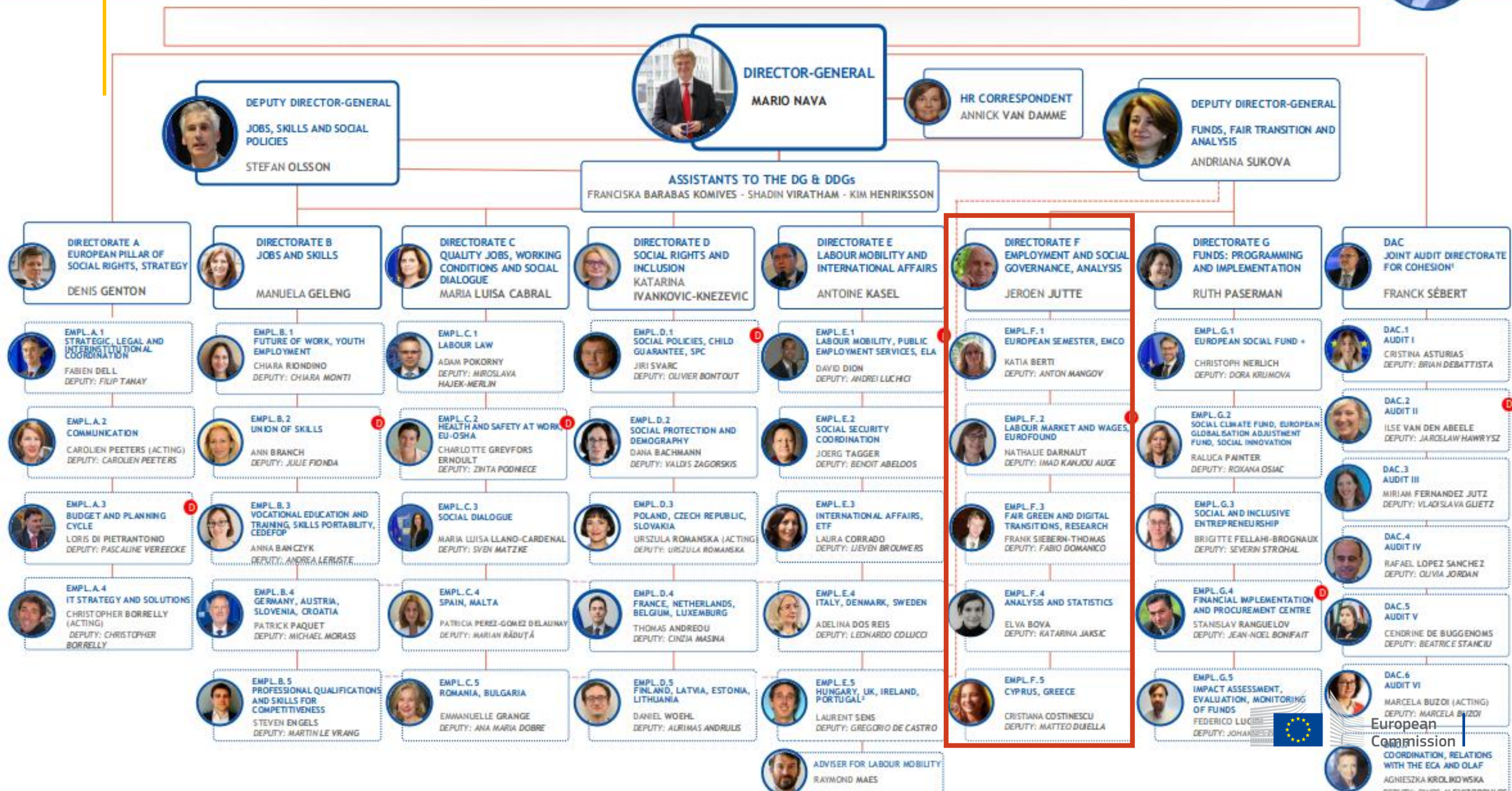
EU labour market challenges and policies in climate adaptation

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Outline:

- Context
- Recent key labour market trends
- Employment trends and challenges in the transition
- EU Policies

Introduction



European Pillar of Social Rights

Ensuring that people and their wellbeing are centre stage in EU policies

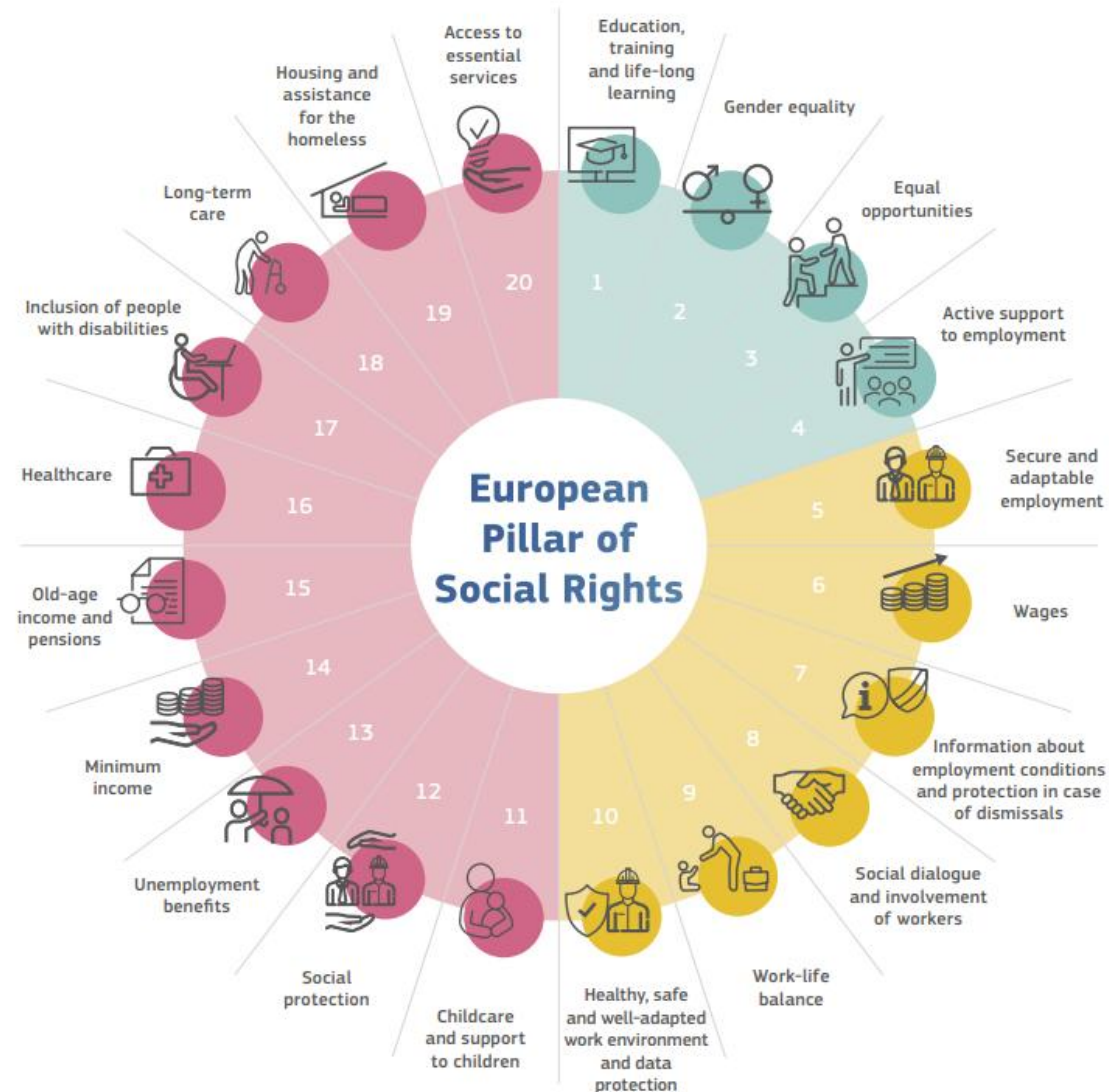
The **20 principles of the European Pillar of Social Rights** are a guide towards a strong Social Europe and set the vision for the EU's 'social rulebook'

Recovery from Covid-19:

- guide policy decisions in the Member States, including in the context of national recovery and resilience plans, territorial just transition plans, national energy and climate plans, etc.

Just transitions:

- support Europe's economy and society in the green, digital and demographic transitions





2021

2030

At least

78%

of the population aged 20 to 64 should be **in employment** by 2030

Current level: 73.1% (2019)



2021

2030

At least

60%

of all adults should **participate in training** every year by 2030

Current level: 37.4% (2016)



At least

15 million

fewer people at risk of poverty or social exclusion by 2030

Current level: 91 million persons (2019)

Context

Labour markets in a changing context

Introduction & policy context

Transition towards climate targets

- Last years some of the warmest on record (Copernicus Climate Change Service)
- EU climate target to reach climate neutrality by 2050 (**European Climate Law** adopted in July 2021); legally binding target
- Continued efforts to advance the transition:
 - Net Zero Industry Act
 - Clean Industrial Deal

Imperatives of a **just transition**

- Fair sharing of efforts, costs and benefits & sustainable development



Increasing impacts of the climate crisis

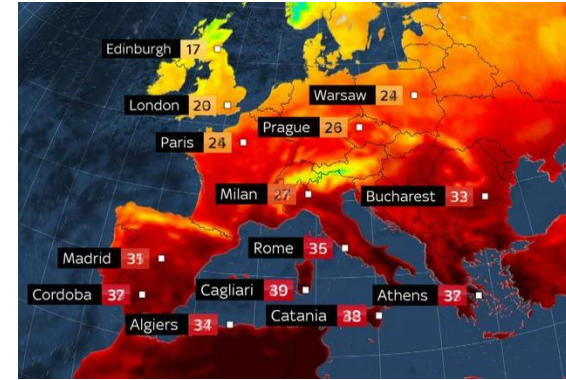
Need to step up both mitigation and adaptation



Australian Bushfires
2019-2020



Floodings in the Ahrtal
July 2021



European Heat Wave
July 2023



Floodings in Slovenia
August 2023



Hurricane Helene
September 2024



Floodings in Valencia
October 2024

*... likely to stay
and deteriorate*



Employment and Social Developments in Europe

Unlocking the potential of people: promoting higher employment in the EU



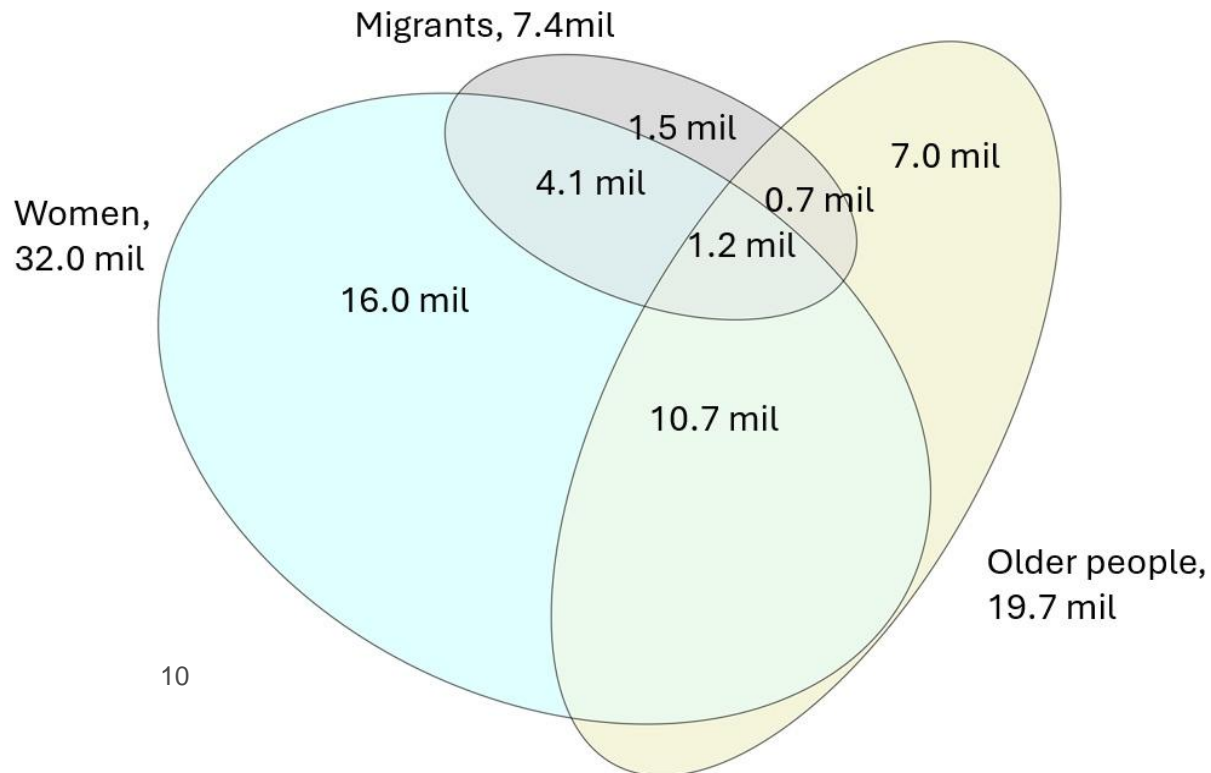
Scan to download ESDE



Policies that could support people into jobs:

- higher **financial incentives** to work;
- **investment in skills**
- **increase workplace support** and combat discrimination

Untapped labour resources in the EU: 51 million Europeans outside of the labour market



Women: more accessible Early childcare and education; no joint couples taxation



Older workers: Flexible work arrangements and flexible retirement pathways



Migrants: Recognition of qualifications; language training and social integration training



Persons with disabilities: Reducing benefit traps; supported employment

Labour market and wage developments in Europe report

- This year's report examines the **current state and prospects** of the EU labour market with:
 - a focus on recent developments in job quality,
 - wage adequacy,
 - and how to promote quality jobs and a competitive economy simultaneously.

Four key areas of action:

- ✓ boosting productivity,
- ✓ enhancing workers' skills,
- ✓ promoting wage adequacy and
- ✓ facilitating job transitions.



Employment trends and challenges in transition

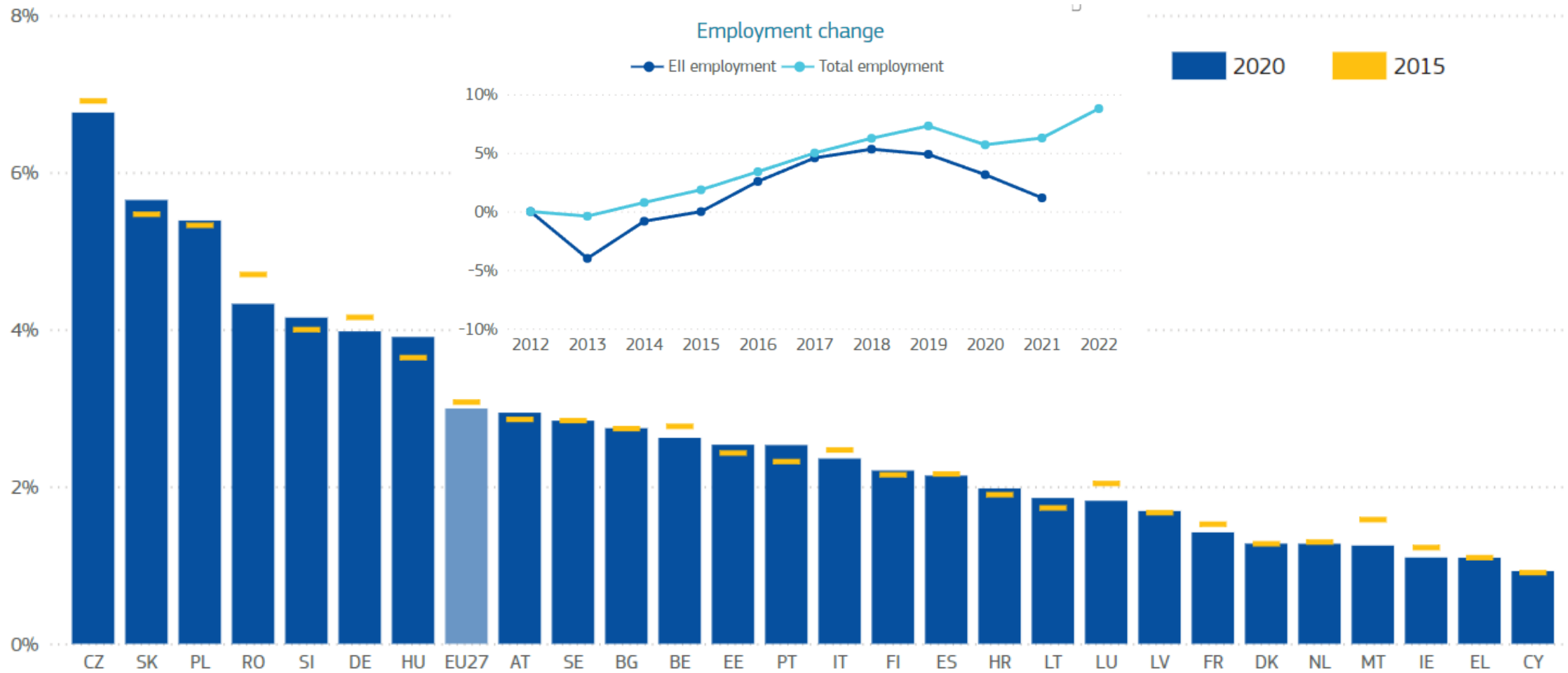
- Potential for aggregate double and triple ‘dividends’ from a fair green transition for
 - 1) creating jobs,
 - 2) improving welfare, and
 - 3) reducing greenhouse gas emissions

Provided that the right employment, social and training policies are in place.

- Yet, **uneven impacts on sectors** (and regions), both when it comes to **mitigation and adaptation**

Employment trends and challenges

Employment in energy-intensive industries, 2012-2022

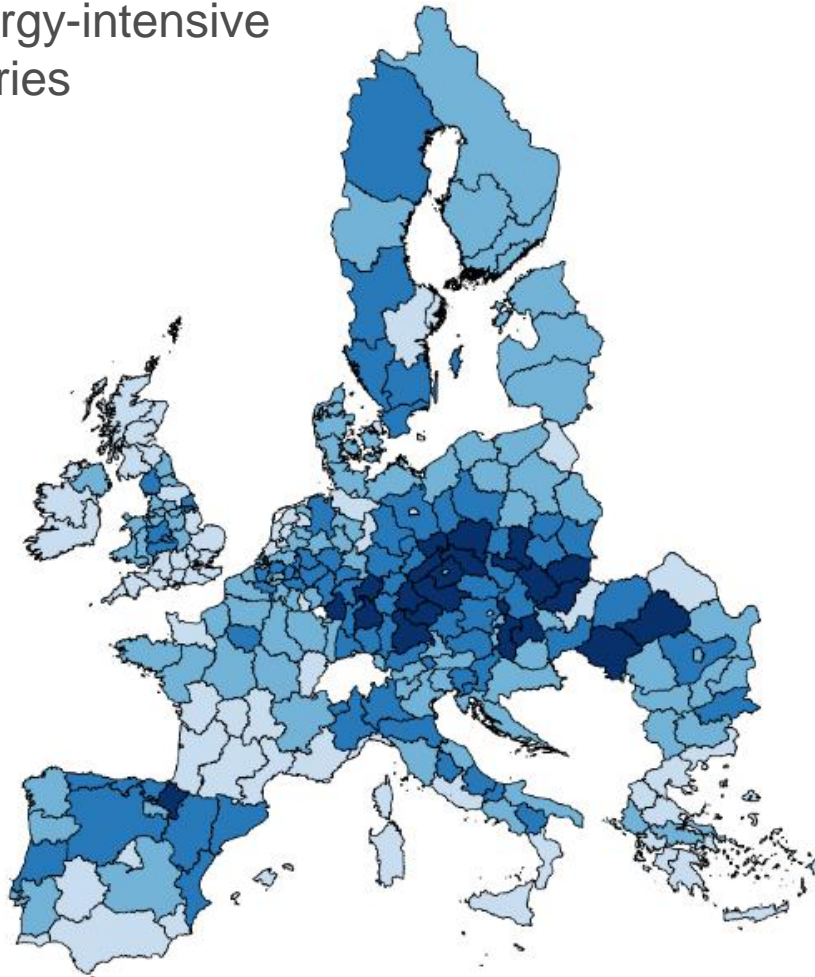
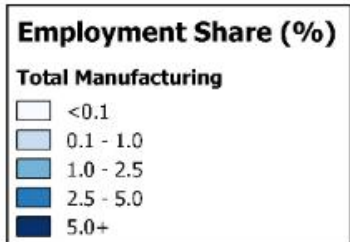


Source: ESTAT, nama_10_a64_e

Employment trends and challenges at regional level

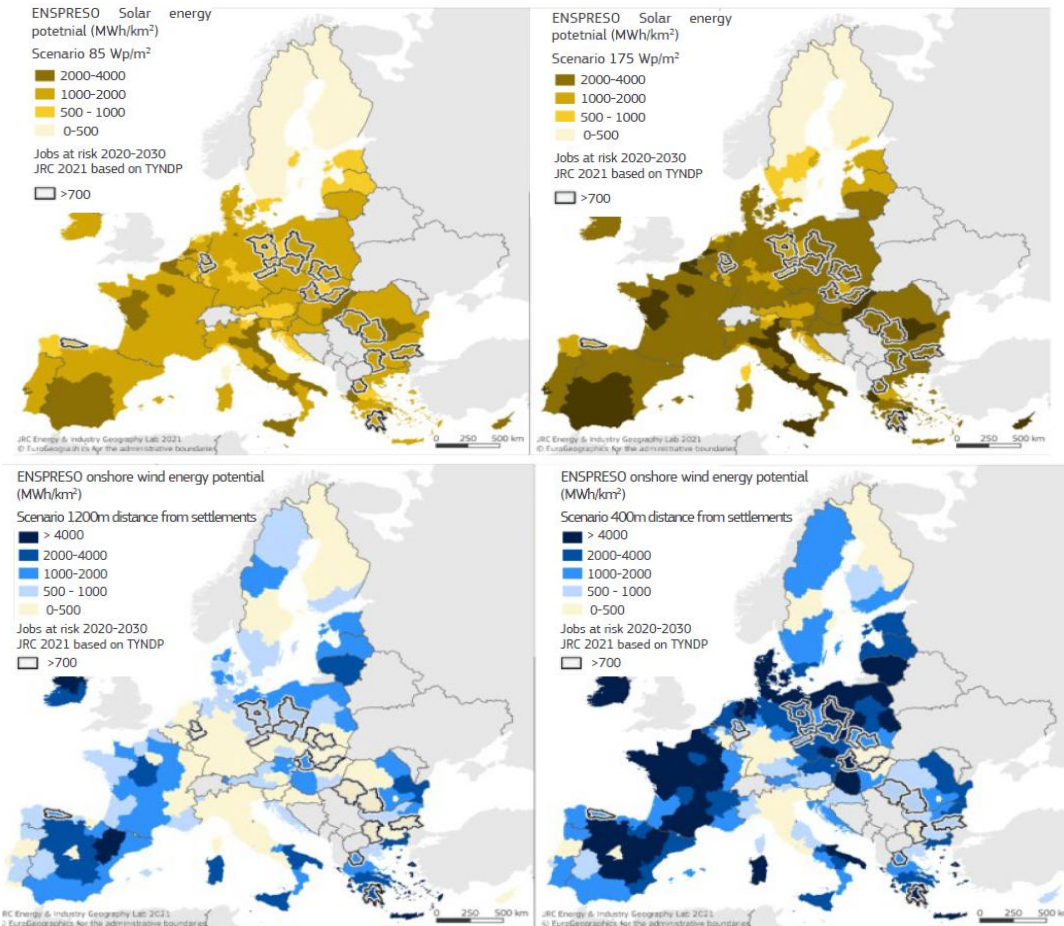
Employment in energy-intensive industries and renewable energy production

Employment share
In energy-intensive
industries



Employment potential in solar (upper right panel)
and wind (lower right panel) energy production

Source: JRC(2021), *The future of jobs is green*



Employment trends and challenges

in climate change mitigation and adaptation – sectors and occupations (i)

Adaptation policies

to create additional **500,000** jobs by 2050, including in **infrastructure and construction, emergency response, water management or ecosystem restoration.**

Mitigation policies

can add up to **1 million jobs** by 2030, and **2.5 mill** by 2050, if supported by the right social and training frameworks.

In the EU, shortages reported for:

- *plumbers and pipe fitters (20 MS)*
- *insulation workers (14 MS)*
- *civil engineers (14 MS)*
- *firefighters (9 MS)*

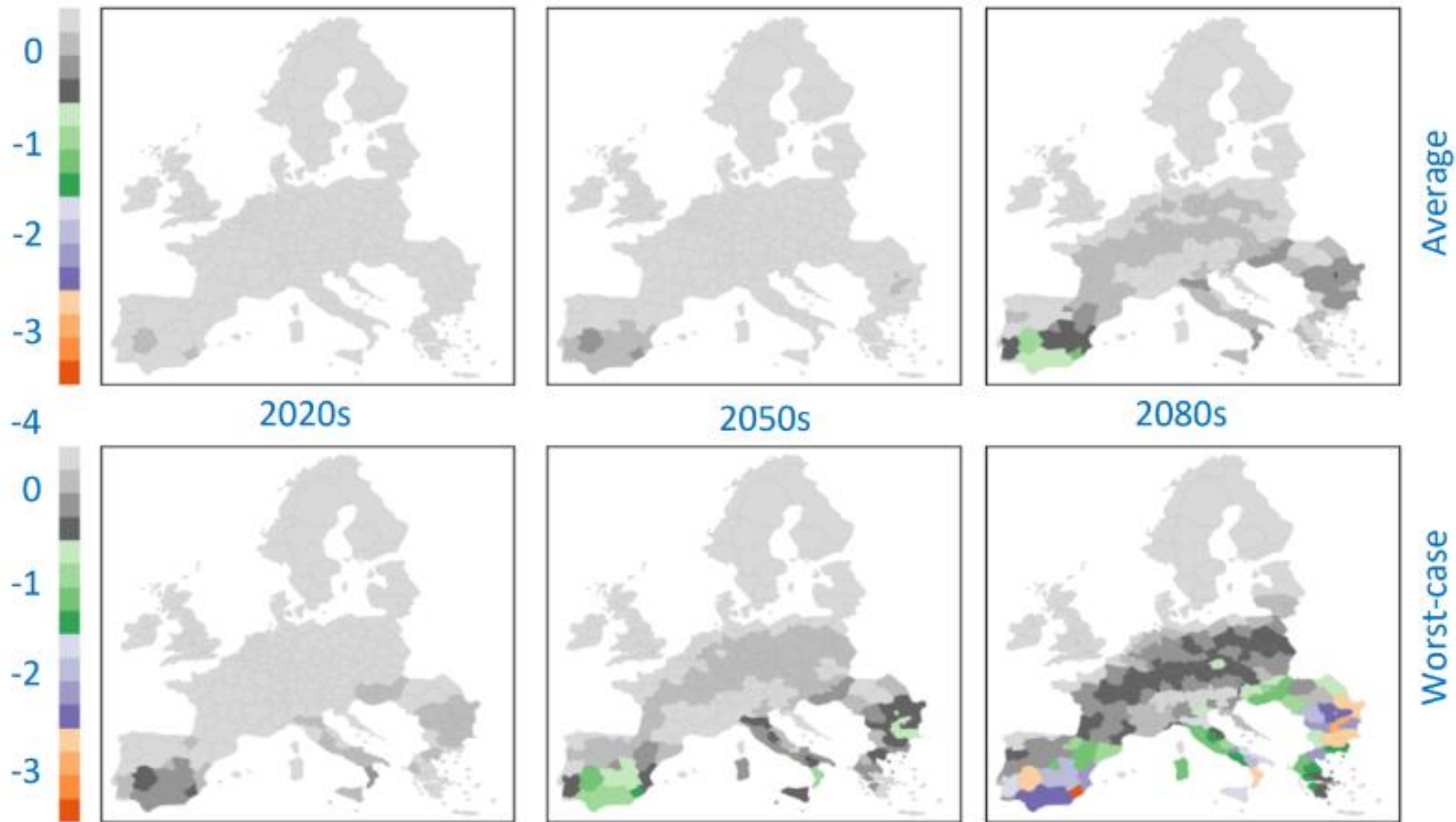
Employment trends and challenges

in climate change mitigation and adaptation – job quality (ii)

- labor productivity decreases by **1.2% for each 1 °C increase** in anomaly (SkilMeet – Horizon Europe)
- In the EU, heat stress to reduce labour productivity around 0.9% (0.7% GDP) in the most affected regions (LabProd project)
 - Southern and south-east regions most affected
- Disproportionate concentration among vulnerable groups
 - seasonal workers or with migration background, and the self-employed

Employment trends and challenges

in climate change mitigation and adaptation – job quality (ii)



-4 Figure 1. GDP loss from labour productivity loss induced by climate change, relative to a scenario without warming. Average (top) and worst-case (bottom) climate scenarios.

Source: LabProd project

Fairness perceptions & challenges

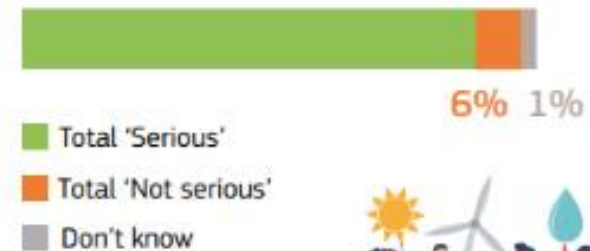
How do Europeans see the green transition?

Expectations, opportunities and concerns vs. signs of backlash

The green transition **should not leave anyone behind**



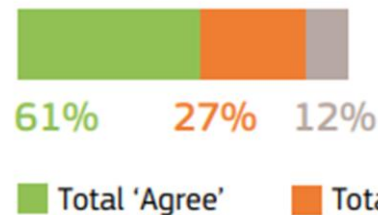
93% think the **current level of energy prices** for people in their country is a **serious problem**



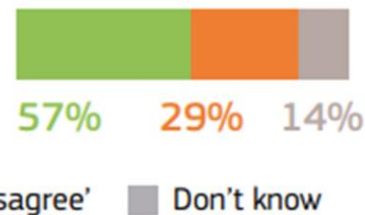
Feel a **personal responsibility to act** to limit climate change



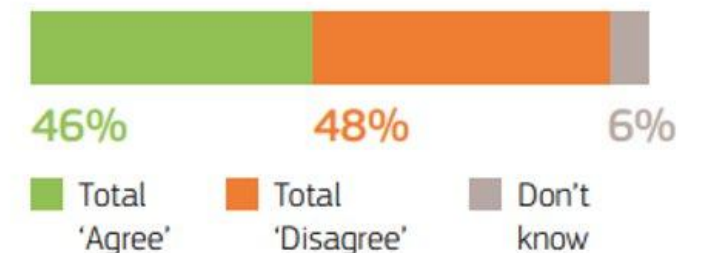
61% think that policies to tackle climate change will **create good quality jobs** (in terms of earnings, job security and quality of the working environment)



57% think that policies to fight climate change will **create more new jobs than they will remove**



46% agree to consider they are confident that by 2050 sustainable energy, products and services **will be affordable** for everyone, including poorer people



Should **personally do more than what they are doing** to contribute regardless of what others do



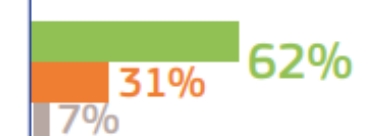
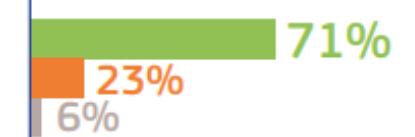
How do Europeans see the green transition?

Support for political action

Support for policy actions to advance a fair green transition

- Total 'In favour'
- Total 'Opposed'
- Don't know

- Increasing their country's investments** in public transport infrastructure
- Subsidising people** to help make their homes more energy efficient, especially poorer people and the most vulnerable households
- Encouraging private companies, through rules and incentives,** to (1) reduce their emissions faster, (2) switch to more energy-efficient production methods, (3) adopt more circular and sustainable processes and (4) retrain their workforce as needed
- Taxing products and services** that contribute most to climate change, and **redistributing revenues** to the poorest and most vulnerable households
- Allocating a quota of energy to each citizen** to ensure everyone makes their fair share of effort to tackle climate change



EU just transition policy framework

EU Just Transition Policy Framework

Strategies and targets

- ✓ European Green Deal (European Climate Law, 2040 Climate Target Plan)
- ✓ Clean Industrial Deal (Quality Jobs Roadmap, Fair Transition Observatory, Affordable Energy Action Plan, Circular Economy Act, Industrial Decarbonisation Accelerator, State Aid Framework, ...)
- ✓ European Pillar of Social Rights and Pillar Action Plan
- ✓ Union of Skills and Skills Pact; large-scale skill partnerships/academies

Guidance and Monitoring

- ✓ Council Recommendation ensuring fair transition towards climate neutrality
- ✓ Updated National Energy and Climate Plans
- ✓ Fair transition indicators in European Semester
- ✓ Commission Recommendations on energy and transport poverty

Support

- ✓ Just Transition Mechanism/Fund
- ✓ Social Climate Fund
- ✓ Recovery and Resilience Fund
- ✓ European Social Fund +
- ✓ (...)

Council Recommendation

Ensuring a fair transition towards climate neutrality

1. Policy packages for a fair green transition

a. Active support to quality employment

- Employment, job creation
- Working conditions
- Involvement, restructuring

b. Education, training, lifelong learning

- Strategies, partnerships
- Intelligence, cooperation
- VET, adult training

c. Fair tax-benefit systems, social protection

- Tax shift away from labour
- Social protection, well-designed income support
- Insurance solutions

d. Access to essential services, housing

- Energy investments, renovations, social housing
- Mobility and transport
- Consumption (nutrition)

2. Cross-cutting elements

a. Inclusive whole-of-society approach

- Coordinated policy-making, social partners, civil society, regional and local authorities, public services

b. Evidence-based approach

- Definitions, concepts and methodologies; ex-ante & ex-post impact assessments; R&I; public exchanges

3. Funding

Optimal use of public and private funding

- EU-level instruments and funding options (e.g. Recovery and Resilience Facility, Cohesion Policy funds, Just Transition Mechanism, InvestEU, ERASMUS+, EGF, LIFE, etc.)
- Commit and deploy adequate national resources; share best practices among Member States

Implementation by the Member States and monitoring:

- in the context also of the **European Semester and National Energy and Climate Plans:**
- **Progress reviews** in 2023 and 2025

(2022/C 243/04)

Council Recommendation on fair transition

- Policy guidance:

- in line with the European Green Deal and the European Pillar of Social Rights, ensure that the Union's green transition by 2050 is **fair and leaves nobody behind** [rec. 1]
- adopt and implement, in close cooperation with social partners as relevant, comprehensive and coherent **policy packages** to promote a fair transition [rec. 2]
 - including **active support to employment and education, training and lifelong learning**

- Monitoring and follow-up:

- Data: timely data collection and monitoring of progress under existing frameworks (development of new indicators in green/emission-intensive employment under EMCO/SPC Committees), launch of **European Fair Transition Observatory**
- Governance: periodic thematic assessment of policy implementation; review of National and Energy Climate Plans (NECPs)

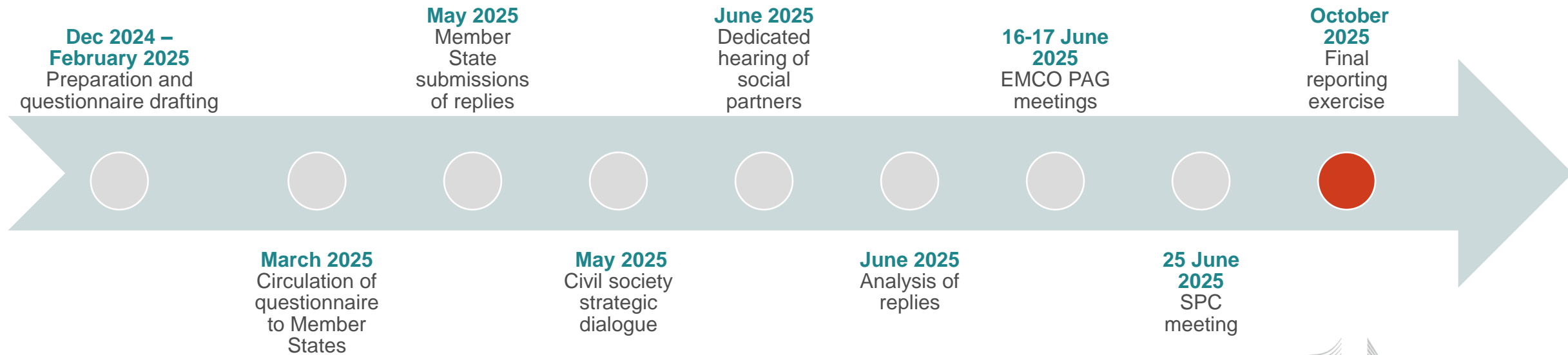
 tailored evidence-based policy advice integrated in the **European Semester** process

2025 Full Progress Review

Timeline

Monitoring objectives:

- **Full review** covering all policy areas
- EPSCO key messages
- Implementation Report



2025 Full Progress Review

Main messages from social partners

- Both Trade Unions and Employers stress **the need for a systematic, early involvement of social partners in designing and implementing fair transition policies**
- Both Trade Unions and Employers welcomed and **strongly supported the setting up of a Fair Transition Observatory** by DG EMPL and welcomed their involvement in and contribution to the project.
- Both Trade Unions and Employers underlined their support for **upskilling/reskilling**, particularly via the **Union of Skills, EFTO**, and **sector-specific initiatives** (e.g., in chemicals, mobility, energy). Emphasis on **apprenticeships (also for adults)**, VET, and locally adapted training systems.
- Both Employers and Trade Unions emphasised the importance of EU Funds, such as the **ESF+, JTF, SCF** in supporting training, infrastructure, and decarbonisation, and called for a better **alignment and accessibility**, especially for SMEs and vulnerable regions.
- Employers **called for a better implementation of the existing acquis** regarding just transition policies.
- Trade Unions highlighted **the need to promote social fairness in the transition** and called the Commission to put forward new initiatives, including a Just Transition Directive.

2025 Full Progress Review

Main Messages from civil society organisations

- **Policies and best practices:** repair vouchers (AT); skills for the circular and social economies (IT, RO); local clean energy partnerships in cities (FR); etc.
- **Feedback on fair transition policies:** general low awareness of Recommendation; limited capacity for socio-economic impact analysis; insufficient involvement of CSOs in transition planning; funding misalignment.
- **Stakeholders/CSOs involvement:** limited participation due to unequal CSO consultation, budget cuts and political factors, lack of support to the social economy, data gaps on the green transition, difficulties in coordinating multiple levels of governance (local w/ national)
- **Way forward:** general support for a stronger framework for the green transition, embedding just transition in national policies, leverage available funds (incl. regional) and State Aid, for enhanced data collection, for the set-up of an EU Fair Transition Observatory.

2025 Full Progress Review

Self-assessment by Member States

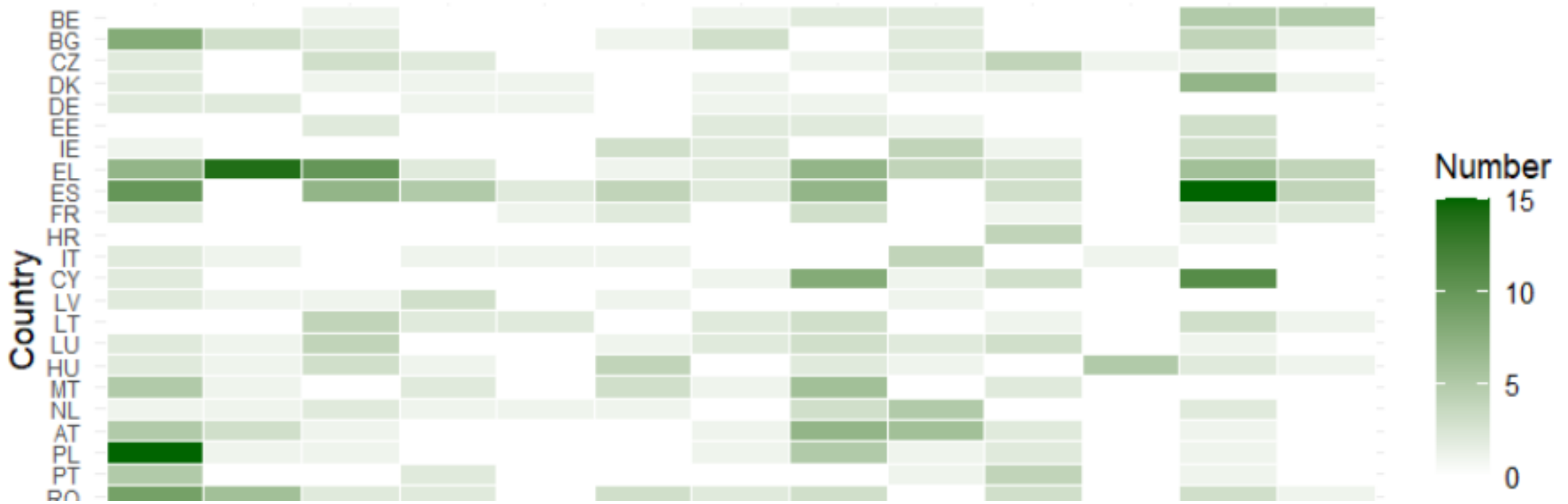


- Member States reported over **500 measures**
 - addressing **employment, education and skills intelligence, fair taxation and social protection, and access to essential services.**
- A broader range of measures is planned or implemented, particularly in the areas of **labour market activation, job-to-job transitions, and skills development.**
- While all Member States demonstrated commitment to the principles of fairness and inclusiveness, **progress is uneven**
 - **many measures still at an early stage,**
 - **important gaps remain in monitoring, governance, and stakeholder engagement.**
- Additionally, **vulnerable groups**, including **low-skilled workers, migrants, and low-income households**, remain **disproportionately exposed** to the risks of climate change.

2025 Full Progress Review

Overview of reported measures

Heatmap: Measures by policy recommendation by Member State



2025 Full Progress Review

EPSCO key messages

- Most Member States make use of **existing structures** to address the transition challenges, without **comprehensive implementation strategy**.
- Scope for a **more systematic, coherent and targeted approach**
- Need for more **systematic involvement of social partners and civil society actors**
- Need for **better evidence base and a common understanding of fair transition concepts and policies, incl. green jobs, employment in the green economy, transport poverty, ...**
- Need to **accelerate re- and up-skilling in the transition**, incl. through adult education & training.
- **Country-specific examples & best practices:** Just Transition strategy & institute (Spain), transition councils (AT, DE), systematic distributional impact assessment (NL) , dedicated labour inspections (PL), working conditions in heat waves (ES, IT), ...

EU framework on employment, quality jobs and skills

Initiatives relevant to climate adaptation

Provision of skills

- Union of Skills / Skills Agenda
 - Pacts for skills, **incl. large-scale partnership in construction,...**
 - Recommendations on LLL, modernisation of VET, **learning for environmental sustainability**
- Strengthening skills anticipation
 - **Blueprint Alliances for future-fit curricula, including in 'green industries'**

Working conditions

- Upcoming **Job Quality Roadmap**
 - Consultation in December 2025
 - Act to be launched in Q1 2026
- Occupational health and safety (OSH) legislation ongoing revision

Labour shortages

- EU Talent Pool to attract workers from third countries, **incl. into 'green/adaptation-relevant occupations'**
- Action Plan on Skills and Labour shortages

Funding to support a fair transition

- **Recovery and Resilience Facility (RRF)**
- **Cohesion Funds** (Just Transition Fund, European Social Fund+, ERDF, CF) to **support measures** targeting the most vulnerable
 - JTF to provide targeted support for **economic diversification and reconversion of territories concerned** and alleviate the socio-economic impacts of the transition
 - **Social Climate Fund** to support vulnerable households, transport users and microenterprises
- **Horizon Europe** Research & Innovation Framework Programme
- **Social innovations** for a fair, green and digital transition
- **Mainstreaming of (climate, digital) objectives** across funds and programmes and **synergies across funding instruments**

Social Climate Fund



- **Purpose:**
 - ✓ To address the social impacts arising from ETS2 on **vulnerable groups in the EU, especially those affected by energy poverty or transport poverty**
 - ✓ **Period: 2026-2032**
 - ✓ **Size: EUR 86.7 billion**
 - ✓ The Fund is financed (mainly) from **ETS2 auction revenues**, with minimum 25% Member States' national
- **Social Climate Plans**
 - ✓ To be submitted by all Member States in principle by 30 June 2025
- **Identification of vulnerable groups and assessment of distributional impacts**

What can be financed by the Social Climate Fund?



Support energy efficiency & renovation of **buildings**, clean heating & cooling, renewable energy and storage



Finance zero- & low-emission **mobility & transport**, including public transport



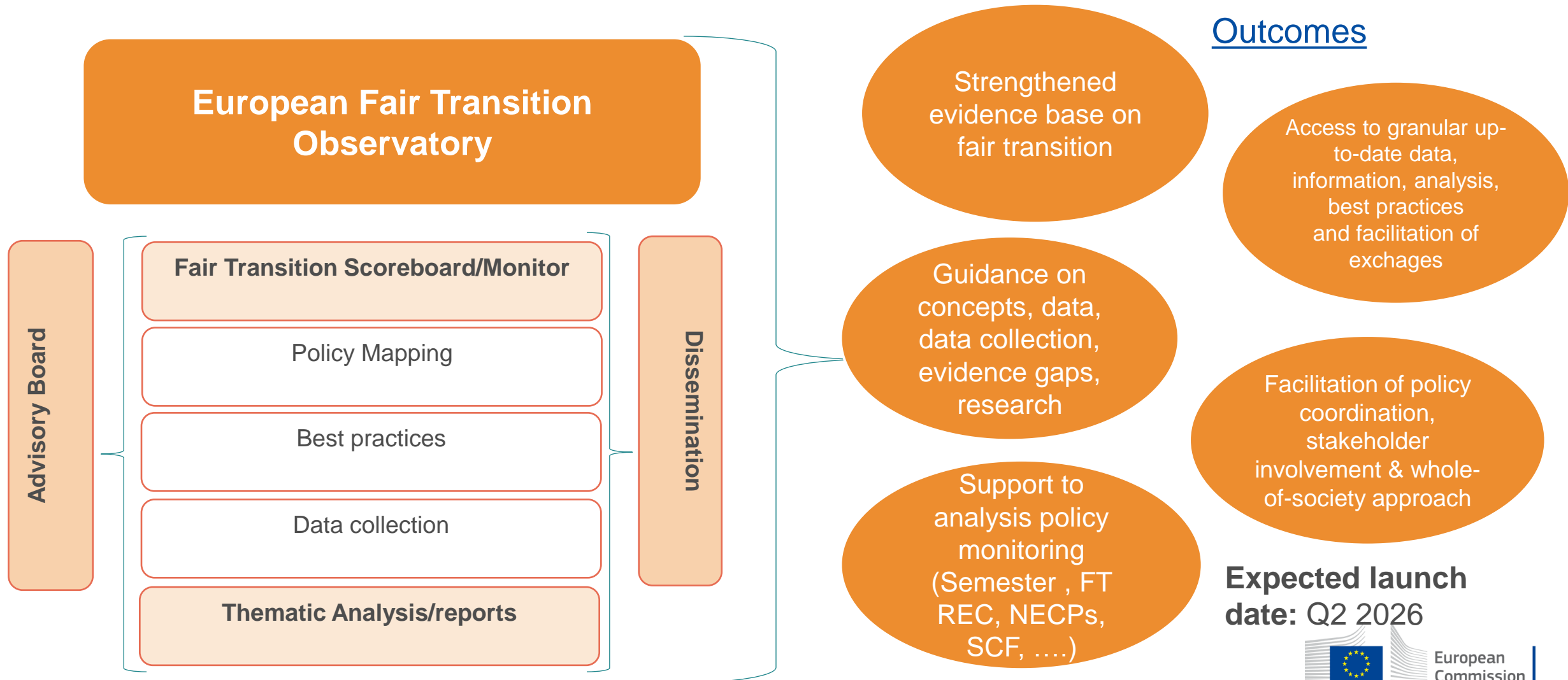
Provide temporary **direct income support** to vulnerable households

Consistency with structural reforms and investments - max. 37,5%

Evidence base & best practices

European Fair Transition Observatory

Structure and objectives



Best practices at local level

EU CITIES



The Council Recommendation assessment also identified some examples of best practices in the from the Horizon Europe 'Climate-neutral and Smart Cities' Mission.

Other activities

Just transition at international level

EU-ILO Just Transition Pavilion at COP27, COP28 COP29 and next at COP30

- This year, around 40 events will take place at the Pavilion in Belem, Brazil with the focus on keeping the social dimension of climate change at the forefront of discussions.
- Ongoing negotiations on the UN Just Transition Work Programme

Clean Energy Ministerial

- Co-lead of the “Empowering People Initiative”
- Co-lead of the Campaign on “Sustainable lifestyles, fairness and access to clean energy technologies”



Just Europe podcasts

Episodes focusing on just transition



Also available on [Spotify](#) and [Apple Podcasts](#)

Episode 1 - Left behind: fact or feeling?

This first podcast examines the challenge for policymakers at all levels – European, national, regional and local – of addressing European citizens' concerns that they and their communities may not benefit from economic, social and technological change.



Also available on [Spotify](#) and [Apple Podcasts](#)

Episode 4 - Cake, trains and collective dreaming: Just Transition goes global

Our new episode is all about **Just Transition**. What exactly is Just Transition? What does it mean to different people around the globe, and what is the role of the EU? Shifting to a sustainable economy is something that affects all of society, but how the idea of 'leaving no one behind' is delivered, depends on people's and country's contexts.

[Just Europe Podcast - Employment, Social Affairs and Inclusion](#)

Merci - Discussion

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