

# Lesson 1



**GROWTH THROUGH  
TRANSFORMATIONAL CHANGES**  
in the industrial sector influenced by the EU Green Deal and digitalization and  
oactive participation of workers in restructuring the changing working environment

## The European Green Deal and the Just Transition



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Good morning. We are launching a series of lessons on various issues related to the so-called dual transition, which takes place within the framework of the European Union-funded project GTC.

**The GTC project** aims to exchange experiences and knowledge between workers and employers from seven partner countries on this topic. These countries are Montenegro, Spain, Macedonia, Romania, Poland, Serbia, and Slovakia.

This tutorial is divided into six lessons – each of which is devoted to a different topic related to the issue of dual transition in Europe. We will focus on the following topics: The European Green Deal and the Just Transition – as the main framework for our reflections; further on the issue of the digitalisation of the economy as the second – besides greening – aspect of the dual transition; then we will devote attention to the issue of dual transition itself and the state of research in this area. The next issues will deal with the classic themes of social dialogue but presented in the context of the dual transition, namely the question of workers’ right to information, consultation and participation, collective bargaining and, finally, case studies and good practices.

With these lessons, I hope to clarify some basic issues related to dual transition.

Let us therefore start with the key policy of the European Green Deal in this regard.

**The European Green Deal<sup>1</sup>** is a European strategy for sustainable growth adopted in December 2019. It is a package of policy initiatives aimed at enabling European citizens and businesses to reap the benefits of a sustainable green transition, achieving the goal of no net greenhouse gas emissions by 2050 in the European Union and decoupling economic growth from resource use. The European Green Deal includes an action plan to enable a more efficient use of resources through a transition to a clean, closed-loop economy, as well as to prevent biodiversity loss and reduce environmental pollution. The action plan identifies the necessary investments and the financial tools available to implement them. It also explains how to ensure a just and inclusive transition. It also proposes a European climate law to transform the commitment to reduce greenhouse gas emissions into a legal commitment. Achieving the objectives of the European Green Deal will require action across all sectors of our economy. These actions include:

- investment in environmentally friendly technologies;
- promoting industrial innovation;
- introducing cleaner, cheaper, and healthier forms of private and public transport;

1 [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en)

- decarbonising the energy sector;
- ensuring greater energy efficiency in buildings;
- working with international partners to improve global environmental standards.

The preamble of the European Green Deal reads:

*„At the same time, this transition must be just and inclusive. It must put people first, and pay attention to the regions, industries and workers who will face the greatest challenges. Since it will bring substantial change, active public participation and confidence in the transition is paramount if policies are to work and be accepted. A new pact is needed to bring together citizens in all their diversity, with national, regional, local authorities, civil society and industry working closely with the EU’s institutions and consultative bodies.”*

In this strategy, the European Union also sets itself the ambitious goal of playing a global leader in the transition towards a sustainable economy. It wants to use its influence, expertise, and financial resources to mobilise its neighbours and partners to join its sustainability efforts. It declares that it will continue to lead international efforts in this area and wants to build alliances with like-minded partners.

By setting ambitious climate and economic targets, the European Union pledges to provide financial support and technical assistance to those most affected by the transition to a green economy. This will be done through the **Just Transition Mechanism**. It is planned to provide €100 billion to the most affected regions between 2021 and 2027. The Just Transition Mechanism is a key tool to ensure that the transition to a climate-neutral economy takes place in a just manner, leaving no one behind. It consists of three main pillars: The Just Transition Fund, the InvestEU Just Transition Scheme, and the European Investment Bank’s Public Sector Lending Facility.

- **The new Just Transition Fund** with a budget of €40 billion, is intended to generate investment of at least €89–107 billion. This funding will come from the EU budget, as well as from the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF +). The fund will support investment in small and medium-sized enterprises, start-ups, research and innovation, environmental renewal, clean energy, upskilling and retraining of workers, job-search assistance and active inclusion programmes for jobseekers, as well as the conversion of existing carbon-intensive installations, provided that the investments lead to significant emission reductions and job protection.
- Another programme is the **InvestEU Just Transition Scheme**, which aims to mobilise €45 billion of investment. InvestEU will support investment in a wider range of projects compared to the Just Transition Fund, such as energy and transport infrastructure projects, including gas and district heating infrastructure, but also decarbonisation, economic diversification, and social infrastructure projects.

- **The European Investment Bank's Public Sector Loan Facility** will have a budget of €10 billion, with support of €1.5 billion directly from the European Union budget. It is intended to mobilise investments of up to €30 billion over the period 2021–2027. These loans would provide public sector entities with the means to implement measures to facilitate the transition to climate neutrality. Supported investments will include energy and transport infrastructure, district heating networks, energy efficiency measures including building renovation, as well as social infrastructure.

While the Just Transition Fund will provide funding mainly in the form of grants, the other two funding streams will stimulate public and private investment in the form of loans supporting financial investment projects.

In addition, at the operational level, the European Union has established the Just Transition Platform, which supports European Union countries and regions in the equitable transition process. It serves as a one-stop access and information point and provides comprehensive technical and advisory support. On the platform, authorities and beneficiaries can find all necessary information about the funds, including funding opportunities, relevant regulatory updates, and sectoral initiatives.

The transition to a sustainable and climate-neutral economy will require significant investment across Europe. However, it should be borne in mind that extractive industries (coal, lignite, peat, and oil shale), related energy production and energy-intensive sectors (e.g. cement, steel, aluminium, fertiliser, and paper production) are concentrated in specific regions for which the transition process will be challenging. These areas will require the restructuring and diversification of economic activities, the maintenance of social cohesion and the training of workers and young people to prepare them for the jobs of the future.

The Just Transition Platform is designed to help EU countries and regions to access the support provided by the Just Transition Mechanism. The platform will be a tool for comprehensive access to support and knowledge in the field of just transition. The platform will provide all data and information needed by public authorities and beneficiaries, including on funding opportunities, regulatory updates, and sectoral initiatives. In particular, the platform will offer technical support and advice to stakeholders involved in Just Transition Mechanism activities. The Just Transition Platform will build on and extend the current Initiative for Mining Regions in Transition. The current initiative supports fossil fuel-producing regions in the EU to achieve a just transition. Support targeted at specific needs and capacity building is offered. A principal element of the Just Transition mechanism will be the development of territorial Just Transition Plans by Member States. These plans will identify the social, economic, and environmental challenges arising from the closure of fossil fuel activities and the decarbonisation of GHG-intensive products and processes. A 2030 transition plan will also be presented, including development needs, workforce retraining and environmental remediation. The plans will set out a timeline and the actions and governance mechanisms needed to achieve the targets. Member States will need to ensure that the plans are consistent with their national energy and climate plans. A template for the Territorial Just Transition Plans can be found in Annex II of the proposed Regulation on the Just Transition Fund.

The Territorial Just Transition Plans define the areas that will receive funding from the Just Transition Fund. These areas are designated through dialogue with the Commission. The plans contain descriptions of the challenges specific to each area, their development needs, and the objectives to be achieved by 2030. They identify the types of actions planned and the governance mechanisms. The approval of the Territorial Just Transition Plans paves the way for receiving specific funding from the other two pillars of the Just Transition Mechanism.

Support in just transition will be made available to all European Union Member States, with a particular focus on the regions with the highest greenhouse gas intensity and the regions with most people working in the fossil fuel sector. Member States will receive funding on the condition that they draw up territorial plans for a just transition, covering the period up to 2030, and identifying in these plans the most affected areas that should receive the most support. The plans should also identify the best ways to mitigate social, economic, and environmental problems.

Support groups	Type of support
<b>Inhabitants</b> of regions most affected by the transition	<ul style="list-style-type: none"> <li>• greater opportunities in terms of employment in new and transition sectors</li> <li>• opportunities for retraining</li> <li>• improving the energy efficiency of buildings</li> <li>• investing in the fight against energy poverty</li> <li>• better access to clean, affordable, and secure energy</li> </ul>
<b>Businesses and sectors</b> with or including high carbon activities	<ul style="list-style-type: none"> <li>• supporting the transition to low-carbon technologies and economic diversification based on climate-resilient investments and jobs</li> <li>• creating an attractive environment for public and private investors</li> <li>• providing easier access to credit and loans and financial support</li> <li>• investing in the creation of new businesses, SMEs, and start-ups</li> <li>• investing in research and innovation</li> </ul>
<b>Member States and regions</b> highly dependent on fossil fuels and carbon-intensive industries	<ul style="list-style-type: none"> <li>• supporting the transition to low-carbon and climate-resilient activities</li> <li>• creating new jobs in the green economy</li> <li>• investing in public, sustainable transport</li> <li>• providing technical assistance</li> <li>• investing in renewable energy sources</li> <li>• improving digital networks</li> <li>• providing favourable loans to public authorities at local level</li> <li>• improving energy infrastructure, district heating systems and transport networks</li> </ul>