

# TAKING STOCK OF THE SOCIAL GREEN DEAL: A YEAR ON

## WORKSHOP SUMMARY – EUROPEAN GREEN DEAL AND SOCIETY WORKSHOP 3

**WORKSHOP DATE: 01 JUNE 2022**

### Introduction

Amid a crucial period of Fit-for-55 negotiations, the third workshop in the series brought together a range of civil society organisations working at the social–climate nexus to take stock of the Social Green Deal and create space for joint reflection and action.

Following interventions from speakers from the European Economic and Social Committee (EESC), Cambridge Institute for Sustainability Leadership (CISL), Buildings Performance Institute Europe (BPIE), Institute for European Environmental Policy (IEEP), and DG EMPL, participants held breakout discussions, resulting in the following takeaways for a fair, inclusive, and transformative Social Green Deal:

1. Adopt an opportunity framing: “a Green Deal that protects”
2. Shift the focus to people and places with buildings as a priority
3. Harness finance for just outcomes
4. Make green opportunities more accessible and inclusive
5. Foster shared prosperity and a global just transition

## Key takeaways

### **Takeaway 1: Adopt an opportunity framing: “a Green Deal that protects”**

Despite regular calls from civil society for a more positive high-level Green Deal narrative, a discourse of deficit continues to dominate. The ongoing assumption that the transition will cost consumers – when it is, at worst, about trade-offs – is a broader fear that populists tap into. Moreover, the current framing puts the onus on individual behaviour rather than highlighting the need for broader structural and systemic change. Such a narrow framing can be counterproductive towards engaging the most vulnerable citizens whose ability to prioritise green alternatives is already limited.

In a context where people feel unprotected against climate change, the pandemic, and, more recently, the war in Ukraine, it is crucial that the Green Deal is discussed – and implemented – as an approach that repairs profound ecological and social damage and protects the most vulnerable in society. At the same time, the narrative should not be one of charity whereby marginalised groups are seen as needing “help”, but one that rebuilds their sense of empowerment and agency.

### **Takeaway 2: Shift the focus to people and places with buildings as a priority**

As the level of government closest to citizens, the local (urban and rural) level offers the best opportunity for transformative action on several fronts. Municipalities, locally sourced and, importantly, resourced third sector organisations have a vital role to play as trusted intermediaries in disseminating reliable information and identifying households’ needs. Specific to the built environment, buildings can contribute to green and social EU priorities such as reducing carbon emissions, providing healthy homes and workplaces, and supporting local green jobs. Yet, the place-based dimension has not been sufficiently prioritised in the European Green Deal, be it in the Fit-for-55 package or during recent EU efforts to respond to the energy crisis.

Several roadblocks exacerbate the above predicament. The structure of the housing market is currently skewed towards well-off building owners by making deep renovation a predominantly individual responsibility. This in turn precludes those without the means, time, information, or rights, such as tenants or homeowners living in energy poverty, from carrying out or enabling energy renovation. In addition, the short-term nature of renovation programmes hinders long-term investment in buildings, thereby making it challenging for businesses to scale up. What is instead required is the boosting of coordination capacities between local

and national governments, financial institutions, and the buildings sector to tackle the problem more systematically and coherently.

### **Takeaway 3: Harness finance for just outcomes**

Finance is often cited as a barrier to implementation. However, the multiple crises that we are facing can also serve as an opportunity to challenge the way traditional markets and finance mechanisms work. Public finance (Cohesion Funds, Risk & Resilience Facility, Social Climate Fund) needs a more systemic approach to deliver on both social and climate agendas that unlocks private finance. For example, the mortgage portfolio standards that are introduced as a regulatory option under the Energy Performance of Buildings Directive (EPBD) revision can support a just transition by facilitating capital investment and generating cost savings over the long term. Private finance (e.g., private equity) and the social taxonomy (e.g., social investments such as social bonds) also have a role to play. There is a need to identify and work with champions in private finance in a manner that mainstreams social and climate goals across portfolios with safeguards against perpetuating injustices.

At the same time, it is important to acknowledge that financing mechanisms are only part of the solution as financial flows in and of themselves will not suffice in advancing climate action. Citizens need to feel that they have a stake in the transition. This is where initiatives such as energy communities come into play. Energy communities offer an alternative model of enterprise, energy democratisation, and energy justice. In doing so, they provide a snapshot of how our economies and financing models can be transformed. Greater emphasis should be devoted to how these initiatives can be promoted and scaled up so that a wider range of citizens can avail themselves of their benefits.

### **Takeaway 4: Make green opportunities more accessible and inclusive**

Some governments have attempted to attract private investment by incentivising employers to pay lower wages. This in turn has implications for social dialogue and collective bargaining, which is already on the decline across member States and is being pushed to company level, instead of sectoral, without the involvement of trade unions. Companies also have a duty to inform and consult employees, as a means of anticipating and managing change more inclusively. Businesses and the private sector can play a greater role within the social-climate nexus by finding more inclusive ways of providing training and organising supply chains – an aspect that continues to be missing in deep renovation, for example.

In parallel with incentivising businesses, more public investment is required in education and training. Within Green Deal policies, learning has so far been considered through a narrow, often separated, lens of green jobs, which limits building a society of active citizens working collectively towards a fair and sustainable future. To this end, more emphasis needs to be placed on lifelong learning as an approach to support all learners across multiple contexts and stages of life. This will not only help workers develop new green skills but also encourage shifts towards sustainable behaviours while promoting broader social goals such as inclusion and well-being.

### **Takeaway 5: Foster shared prosperity and a global just transition**

The inequalities exposed by the pandemic, and increasingly by the energy crisis, have brought the lack of shared prosperity and well-being into sharp relief. Furthermore, prosperity continues to be understood from an economic perspective, which limits the inclusion of other factors such as health. There is growing recognition that the climate crisis is symptomatic of an economic model that is no longer fit for purpose. The EU's own model, for example, does not adequately discourage negative externalities, for example in sourcing raw materials or promoting gas investments, and is partly to blame for a slower green transition in the Global South. Although discussions of carbon leakage abound, the EU needs to pay more attention to the negative social impacts that it exports.

The EU's Green Deal approach is still mired in technocratic policymaking which can be inattentive to the struggles of certain populations, resulting in inequities being overlooked, or, worse yet, perpetuated. Amid efforts to "repower" the EU, the time is ripe to strengthen the evidence base on social impacts by broadening the scope of issues beyond jobs and income equality to incorporate aspects such as gender, race, ability, social cohesion, and global justice in ex-ante policy assessments. Linked to the external dimension of the European Green Deal, the EU should further explore how it can incentivise governments in other countries to take action that is socially and environmentally sustainable.

## **Summary reflections**

The social dimension of the European Green Deal is gaining increasing recognition, but some gaps remain. The Social Green Deal narrative, and implementation, needs to be jointly shaped by climate and social organisations who have typically worked separately in the past. Although this trend is slowly shifting at the EU level – with groups such as European Green Deal and Society being a case in point – climate and

social movements are still not interconnected enough due to insufficient fora for joint discussions. More established channels of communication with grassroots climate and social organisations will be necessary going forward. In the medium term, there is also a need to harness the progress achieved on converging social and green agendas and ensuring that this remains a top priority in the next Commission's mandate.

In the long term, if humanity's relationship with the natural world is to be refashioned, notions of development, solidarity, progress, and well-being will need to be redefined. So long as possession is prioritised over relationships or acquisition over responsibility, a sustainable and fair world will remain out of reach. By its very nature, our economic model of perpetual growth is tied to exploitation and depletion. It also gives rise to gross extremes of wealth and debilitating poverty. Only to the degree that these values are reconsidered, can the profound contradictions they give rise to be resolved. And only as progress is understood in new terms can the fundamental drivers of the present climate crisis be accurately identified, and lasting change for a fairer – and more just – society be made.

## The European Green Deal and Society workshops

This series of workshops arose from the identified need to strengthen the social dimension of Green Deal policies so as to leave no-one behind. Each workshop brings together a range of civil society organisations working at the social–climate nexus.

The workshops are convened by independent climate change think tank E3G and take place under Chatham House rules. The points raised in the published summaries do not represent the official policy or position of individual participants or organisations. Instead, they outline themes collectively identified as required to enable a fair, inclusive, and transformative Social Green Deal.

## Participating organisations

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