

The Future of the EU's Energy Project

Social dimension



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This political brief considers with the social dimension of the EU's future energy project, with a particular focus on social and territorial inequalities, energy poverty, inflation, jobs and skills.

It zooms in on the current policies and regulations, political context, investments and redistribution, and puts forward a number of political ideas and proposals.

It is the second of four briefs exploring the various dimensions of the EU's energy project, all based on expert input and discussions among the GEF Knowledge Communities. The other three deal with energy security, climate and democracy.

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Introduction

Lesson from the future

New York, 2140. The Earth has been through a mitigated version of climate change that has fallen short of major catastrophe but has nonetheless had profound effects. Countries have been reshaped, some parts of the world have been rewilded, and the coastline has of course been completely redrawn by floods and rising seas. The city of New York still stands but is now a city of lakes, a kind of 22nd century Venice. Its remaining buildings still reach for the sky, but they are now mostly energy efficient, even producing much of the food consumed by their occupants. Climate change is over, and the decarbonisation of the economy and the energy system was completed just in time to prevent systemic collapse. Everything is now powered by renewable energies.

It may all look different, but beneath the surface everything is exactly the same: the economy is still profoundly unjust, inequalities have gone through the few remaining roofs, and the wealthy still do what they want while the poor do what they can. Housing, especially, is in permanent crisis, resembling the plot of Kim Stanley Robinson's 2017 novel in which tenants are in mounting revolt, a yuppie trader experiences a dawning of social awareness, and two hackers who "pikettied (sic) the US tax-code" in the hope of bringing more fiscal justice to the country are abducted.

State of play

The social blind spots of the transition

Robinson's reflection of a possible future is indeed purely fictional. The climate transition will in fact not be possible if the wealthy, who are also the biggest emitters, keep "doing what they want". Avoiding climate catastrophe means delivering a systemic transformation, which unavoidably includes tackling our societal and economic foundations and the inequalities they established. Despite its magnitude, this social dimension of the transition remains to be one of the most persistent blind spots in present-day debates on energy policy.

Notwithstanding growing awareness among the general public about climate change and its effects, there are ominous signs of an escalating social and cultural backlash against policies to implement the green transition. Sparked by a planned hike in fuel tax, the *Gilets jaunes* movement kept France on a knife-edge for 18 months with its sometimes violent weekly nationwide protests. These embodied a revolt on the part of the rural and suburban populations who – geographically, culturally and economically remote from the urban centres of power – were hardest hit by rising energy costs. One of the injustices exposed by their anger was the untenable duplicity of a climate policy based exclusively on sacrifices made by the poorest (Gaudot, 2023).

This backlash is not a solely French phenomenon. In 2019, another spectacular rebellion against green policies set the political scene in the Netherlands ablaze. In response to the government's plan to halve the country's livestock in a bid to cut national nitrogen emissions by 50% by 2030 (Corder, 2023), Dutch farmers rallied *en masse*, and often violently, against what they considered an attack on their livelihood and their way of life. They shared an overwhelming sense of being unfairly treated, of bearing the brunt of climate change mitigation policies while what they saw as far bigger polluters were being let off the hook (Nieuws, 2019). Their subsequent relentless mobilisation resulted in significant success for their *BoerBurgerBeweging* (Farmer-Citizen Movement) in the 2023 provincial elections. The results of the national elections soon after also revealed discontent among Dutch citizens, who voted in large numbers for the PVV, a populist party that wants to get out of the Paris climate agreement.

Throughout the EU Member States, a sense of anger is taking hold among less affluent sectors of society as the impacts of green policies are beginning to make themselves felt. This politically toxic feeling that environmental and climate policies have been designed mostly in the interests of more affluent, more educated, urban-dwelling citizens whose jobs are not at stake is being exploited by a coalition of vested interests, populist movements and climate change deniers.

The same thing is also happening at the EU level, in Brussels. When for example the European Commission's proposal for a Nature Restoration Law recently came before the European Parliament, fierce political battles erupted (Taylor, 2023), with conservative and radical right MEPs taking up the metaphorical cudgels on behalf of disgruntled farmers, fishermen and forestry workers. Green policies – especially when they demand fundamental changes in the structure of our economies or in the ways we heat, move or work in our daily lives – are opening up an unexpected and troubling new front in the culture wars (Greenfield, 2023). This development is at the heart of a worrying global trend of rising climate-scepticism (Petit et al., 2022) – in some countries at least (Foucart, 2023). However, despite this evolution, the 2023 Eurobarometer survey shows that European citizens remain seriously concerned about climate change and want national and European policies to tackle it.

This all suggests that most citizens are feeling increasingly trapped between the changes to their homes, cars, jobs and behaviours necessitated by what they acknowledge to be a legitimate and urgent fight against climate change; and the increasingly unaffordable costs of these changes – all exacerbated by the ongoing cost of living crisis. In a nutshell: the EU Green Deal is under threat (Berthelsen, 2023). Experts agree that the EU and Member State governments may have greatly underestimated or even ignored the impact of the green transition on the social fabric (for example, Dennison & Engström, 2023), and this is casting a shadow over the climate agenda after the 2024 European elections.

Lessons need to be learned from this. Narratives and policies must be more honest about the inherent contradictions of the transition, and more robust in how they deal with them. The social dimension encompasses these factors and is absolutely central to the success of the energy transition. Energy policies designed to fight or adapt to the climate emergency require massive investment, resolute political will, and serious mitigation of the social pain that their implementation inflicts on households, workers and entire regions. To be fair, the EU does not wholly ignore this social dimension, and does aim to counter the negative dynamics by means of its Just Transition framework as well as its Social Climate Fund which is due to launch in 2026. However, neither of these initiatives is of a magnitude or strength to constitute a serious social proposition.

Reflections on the state of play

In order to move in the right direction, we first need to know exactly what is meant by “the social dimension”. More concretely, we need to identify where the EU's energy project involves incongruencies, issues and needs from a social perspective. There are a number of areas to be considered.

Equity, household consumption and energy distribution

According to the European Commission, energy poverty in Europe is on the rise. “In 2022, high energy prices together with the cost-of-living crisis meant that an estimated 9.3% of Europeans were unable to keep their homes adequately warm, compared to 6.9% in 2021” (Directorate-General for Energy, 2023). But there is more to energy poverty than just the fact that in 2022, 41 million Europeans could not keep their home adequately warm. Energy poverty correlates with poverty in general, and is an exacerbator of existing inequalities, for example in terms of geography and gender. Housing and transport are key to any discussion about energy poverty. The cost of moving around is a crucial – and difficult – issue for many poorer households, especially those in rural and peri-urban areas, who remain highly dependent on their cars for basic daily activities and lack reliable public transport options. This price sensitivity was clearly demonstrated by the *Gilets jaunes* crisis. The energy project as a whole is therefore inherently linked to (in)equality in the EU.

Energy poverty may form part of the National Energy and Climate Plans, the Just Transition Plans and the forthcoming Social Climate Plans, but the related funding is far from adequate. In addition to the gap at the level of scale, there are also issues with the accessibility of the available funds, and with ensuring that funding is targeted at those who really need it. The plans currently on the table are simply not enough to lift people out of energy poverty in the long term. Furthermore, citizen participation and calls for deeper reflection on the democratic aspects of the energy transition are often overlooked. This forms the subject of a separate Political Brief on the democratic dimension in this Knowledge Communities series.

The issue of equity is directly connected with the affordability and deliverability of the clean energy transition. There is a simple core question here: how can a transition for all be assured when a large proportion of the population cannot afford the goods and services required for it? Researchers have highlighted the correlation between inequality and behavioural change for net zero. Kukowski & Garnett, 2023, argue that policies and psychological approaches “often overemphasize individual agency, thereby overlooking how socioeconomic inequality can constrain access to low-carbon alternatives”. Home renovations offer a good illustration of the failure of these consumer-driven policies, with mostly richer households benefiting from the subsidies put in place. The same can be seen with urbanistic, commercial policies promoting the shift to clean mobility. Multiple support schemes for the purchase of electric vehicles which again benefit the wealthier classes. At the same time, comprehensive, high quality, inclusive clean public transport remains elusive in most countries. Such government initiatives, that have not been properly thought through and that consequently initiate systems that exacerbate existing inequalities, unavoidably create more paralysis than impetus for change.

The lack of attention to tackle the green transformation's affordability and deliverability questions also show clearly in several crisis responses. Governments have primarily focused on mitigating rising energy costs in the short-terms, rather than on tackling the root causes and smoothing the green transition. The Institute for European Environmental Policy (IEEP) has published a comprehensive qualitative analysis of the measures taken to deal with the crisis (García-Muros et al., 2023). The hundreds of billions of euros¹ (Sgaravatti et al., 2023) provided by national governments to soften the energy shocks for their citizens mostly look more like pacifying and placatory measures, rather than ways to seize the opportunity presented by the crisis – to accelerate the transition in an equitable way. Wealthier, western Member States often cut fuel duty, for example, which generally had a regressive effect. By contrast, energy price caps – which were more often used in central and eastern European countries – and direct payments to those on the lowest incomes had a progressive distributional impact.

Demand reduction is another important part of the picture, but is often left out. The war in Ukraine has led the EU to pay more attention to energy efficiency and savings but its energy project as a whole does not focus enough on efficiency, let alone sufficiency. As stated in our Knowledge Community Political Brief on the energy security dimension, a focus on sufficiency and efficiency would lead to a reduction in the amount of energy required, which would in turn make it easier to green the energy needs that remain and reduce the overall costs of the transition. This would then free up capacity and resources to strengthen its social dimension.

Cultural capital is also relevant here: the ability of European consumers to access information about the availability and suitability of options for their own energy transition. Part of the frustration at the root of the current backlash comes from people feeling that they are paying the price for their governments' failure to foresee the long-term consequences of their policies. Having followed their national governments' advice to buy diesel cars, for example, many households now find themselves being penalised for having done so.

Finally, there is an important social dimension to the way in which companies supply energy to European households and businesses. Consumers' ability to manage their usage relies on data and transparency, but these are currently far from ideal. The details provided in electricity bills are difficult to understand. Households need easy access to information about how much energy they are consuming. They need to be able to see how much electricity is being consumed by which appliance, and if that depends on how or when the appliance is used. We discuss this further in our Political Brief on the democratic dimension of the EU's energy project.

Jobs and skills

Social acceptance of the energy transition will depend on there being a future for those whose jobs it threatens. Switching from a world powered by energy-dense fossil fuel molecules to one powered by clean electrons will not just entail geographical changes in terms of mining and sourcing, but also huge shifts in employment and the world of work. Whether we are talking about engineering, construction, installation or repair, the transition is already generating new jobs, or green versions of traditional ones, and these all require new kinds of skills.

The anxiety of many workers whose skills and careers currently depend on fossil fuel industries – be that extraction, steel, or car manufacturing – is palpable. It is essential that we learn the lessons from the fates of industrial regions like Lorraine, Borinage or Yorkshire in the 1970s: leaving a workforce without prospects for the future results in economic misery which in turn breeds social despair and, ultimately, political radicalisation.

However necessary for Silesia, Lusatia, the Jiu Valley and Bohemia, the Just Transition Plan's limited focus on supporting the EU's coal regions through the transition is outdated. Moreover, the reasoning behind it focuses solely on ensuring that active workers find places in the new job market. (We discuss this further in the next section.) It thereby falls short of supporting the delivery of community and regional development plans that also include in the transition those groups that do not currently have employment contracts (many women, migrants)

There is a general lack of systemic forward thinking and planning from local, national and EU governments. Shortages of engineers with the ability to install heat pumps, for example, have become regular issue across Member States (Bleid, 2023). In this respect, the EU does not bear comparison with the USA, whose Inflation Reduction Act not only provides tax credits for energy projects, but makes them conditional on the creation of an apprenticeship scheme (Lawder, 2023). In order to develop this kind of planning and incentivise a smooth transition in the labour market, more and better data are needed. This includes more accurate information on the skills required, and for which purposes, and where the gaps are. EU institutions and governments still too much resemble cartoon characters trying to plug holes in the dyke with their fingers. In addition, many clean energy-related technical qualifications and certifications are not mutually recognised within the Single Market. This is a huge bottleneck for the intra-EU distribution of available competences and thus for the energy transition as a whole.

There will be no consolidation of the energy transition without the support of workers. A socially just transition will therefore only be possible if the inevitable profound overhaul of our economic system is accompanied by an ambitious, fit-for-purpose plan to develop the European jobs and skills of the future. It is essential that newly created sectors offer high quality employment, i.e. jobs that are well paid, unionised, safe and fulfilling.

Finally, we cannot talk about jobs and skills without also considering education. Governments' lack of interest and investment in schools and lifelong learning programmes is particularly detrimental: education systems have been gutted by years of austerity and the poor allocation of resources. Individuals choosing to train in green technologies should therefore be supported by student funding and public grants, especially if they are seeking to re-train mid-career.

Territorial and global impact

We now move on to the social justice gap that exists at both the intra-EU and global levels in terms of sourcing clean energy materials and the deployment of renewables. Taken together, the EU's Green Deal Industrial Plan, Net-Zero Industry Act and Critical Raw Materials Act are modest steps in the right direction here, but fall short of delivering the serious industrial policy framework required in order to navigate Member States through their respective transitions in a socially and environmentally just way.

Europe's industrial framework must be about more than mere competitiveness and reducing red tape by means of measures such as allowing exceptions to standard approvals processes, often without adequate environmental or social safeguards. Serious risks arise when (often gigantic) clean-tech projects bypass existing legislation on social contributions, employment conditions or collective agreements, or fail to ensure the consent of local communities, or ignore the environmental protections required by law. This is another crucial factor for public acceptance of the transition.

Both the deployment of renewable energy and the sourcing of materials need to be handled with the utmost care and transparency, and on the basis of best social and environmental practice. This will require whole-of-value-chain thinking, both at home and abroad. It is needed at home in order to get European citizens on board with the Green Deal. As pointed during an interview one of our Knowledge Community experts conducted, this can only happen if people are genuinely included and given a seat at the table: *"A lot of the resistance to renewable energy projects comes from people feeling like they don't have a say. Many conflicts are the result of a lack of information. [...] We need to make transparency, information, and citizen participation processes mandatory and improve their enforcement"* (Tejero, 2023). Abroad, it is needed in order to avoid replicating extractive models and instead facilitate genuine partnerships. Partnerships with other countries must be mutually beneficial and fair, and have global social justice considerations at their core. The Knowledge Community's thinking on the global dimension of the EU's energy project is developed further in the Political Briefs on the climate and energy security dimensions.

The financial elephant in the room

Thinking about these gaps unavoidably brings us to the topic of financing the transition. Addressing the social dimension of the EU's energy project will need to involve a range of financial actors: public money will be needed for strategic aspects such as demand reduction, renewables infrastructure, education and skills; private finances will need to follow; and banks have to take drastic action to align themselves with just transition objectives.

The current EU approach to its finances is constraining government investment through an insistence on fiscal prudence and a lack of funding mechanisms. The Stern Review published in 2006 provided hard data on the investment required in order to avert the climate emergency, leading to hopes that the *"strong action"* it urged in order to *"avoid the worst impacts of climate change"* would be taken. Unfortunately, the apparent goodwill and public pledges to step up and meet the greatest challenge of our times that followed the review were nipped in the bud by the financial crisis.

Today, the EU itself estimates that in the energy and transport sectors alone an additional €477 billion will be required every year until 2030 in order to achieve the goals of its Fit for 55 programme (Panzeri, 2023).

Some of this investment must come from the private sector, but we do need our governments to lead the way, and this does not seem to be happening at the necessary scale. From an EU perspective, it will not be enough to focus on state aid, since this comes with unwanted consequences in terms of Member State cohesion. Poorer countries with limited fiscal space would continue to be outcompeted by wealthier Member States, as happened with Germany's response to the energy crisis (Alkousaa, 2023), and France's energy shield (Willsher, 2022).

Much of this could be solved by serious reform of the European Economic Governance Framework. Ever since 2009, Member States' ability to invest has been constrained by a constant narrative of fiscal righteousness. The rules prevent governments from making the investments needed to transform and future-proof their economies and societies.

They not only delay and weaken the implementation of environmental and climate policies, but also cripple public administrations in their ability to deal with the technical, monitoring and organisational aspects of the transition. This austerity approach has led to continual reductions in staffing levels, with a consequent loss of know-how and capacity. There is a shortage of civil servants with the relevant expertise across the EU countries, with those who remain working in dire conditions without the necessary human, technical or material resources. Resignations, sick leave and burnout further deplete capacity, and the resulting delays have become so normalised that red tape and administrative bottlenecks are now recognised as one of the main obstacles to the delivery of energy policy. This also makes it difficult for public administrations at both the regional and national levels to absorb and utilise the EU money they receive, especially with the influx from the EU recovery fund.

In addition to weakening national and regional administrations, this also has political implications for Member States, where governments find themselves trapped by the timing of their electoral mandates. When governments are focused on getting through the next few months without being publicly shamed for not obeying EU fiscal rules, while simultaneously placating voters' anxieties and in many cases campaigning for re-election on the basis of their crisis-management skills, decision-makers are not embracing the long-term policy-making that Europe needs. This muddle-through approach results in small-scale interventions and inefficient, short-term public funding, further widening the investment gap created by their limited fiscal space.

Fiscal rules that irrationally limit governments' ability to deliver transition investment are one part of the problem, a lack of central European transition funding is another. Civil society has criticised the limited scope of the funding available for the just transition, and warned of the ominous approach of the post-Next Generation EU era, when central EU funding capacity is set to shrink enormously. This European funding capacity is critical for maintaining solidarity and coherence between Member States.

Overcoming these public finance bottlenecks will not be enough, however: a just transition also requires private money. Private loans must be made available to municipalities to develop district heating systems, for example, and to private property owners to retrofit their homes; and private investment also needs to flow into new-generation infrastructure, etc. Sustainable finance rules and

transition regulations for the private sector are being established, examples being the EU's Green Taxonomy and the Corporate Sustainability Due Diligence Directive (CSDDD), though experts have scrutinised the lack of coherence between the different schemes (Kuzmanova & Yada, 2023). With regards to the new CSDD Directive, criticism on its hollowed out final version is currently moreover omnipresent, due to the last-minute narrowing of the scope and creation of loopholes, which leave a big chunk of companies free to continue to turn a blind eye to environmental and human rights violations in their value chains.

Political proposals

A strategic plan for a collective, socially just European energy project

The social dimension is key to the success of the EU's energy project. Not only is it essential for the delivery of the transition, both in terms of generating support for it and of making it possible to create a sustainable, green economy and society in practice, but it also enhances and strengthens the political legitimacy of the European Union as a whole. By putting social concerns at the heart of its policy and legislative agenda and turning the Green Deal into a social deal too, the EU will address the needs of its citizens more directly and create real motivation for citizens to play an active part in the transition. Strengthening the strategic frame of reference while leaving room for manoeuvre at the Member State level will make it possible to create a Social Green Deal that can move us all forward. How can this be achieved in practice?

A socially just transition requires comprehensive, far-sighted public policies that focus on a collective future and citizens' well-being. It is high time the EU moved away from its market-based, individualistic approach to the transition towards a planned, collective one. The current consumption-driven approach, based to a large extent on reactions to price-signalling, will only continue to engender frustration and resistance, but a strategic plan that tackles inequalities at the same time as delivering the energy transition could be an attractive, shared European project around which voters could rally.

A strategically planned revision of the EU's energy project on the basis of cross-sectoral expertise, enhanced data collection and proper analysis of the various resources and needs and how they can be met, would turn the Green Deal into something that is also socially just and collectively supported. As discussed in the previous chapter, the social dimension of energy cuts across multiple policy domains. This approach therefore needs to be adopted in energy policymaking as a whole, as well as in all policy areas impacted by it. A way of putting such this into practice, and currently advocated by Trade Unions, the European Parliament and the EESC, is to establish a Just Transition Directive, and a Just Transition Observatory².

Below, we propose some concrete political angles that should be included in the switch to a more planned, informed and collectively focused EU.

Equity, household consumption and energy distribution

Eliminating energy poverty in all its forms must become the EU's number one priority across multiple policy areas. Energy poverty is not limited to a small group of the most vulnerable: it impacts a large proportion of the middle classes in all European countries too. Current policy efforts to eliminate it are too narrow and often based on insufficient data, yet the need to combat it is self-evident. Since energy poverty correlates strongly with other social inequalities and divisions – gender, age, geography, etc. – its elimination will indirectly strengthen equality within and across EU Member States. And these are the very inequalities that politicians need to tackle in order to bring about the behavioural changes required for the energy transition. But how can this be done?

Establish a basic right to energy, i.e. the right to a basic level of consumption free of charge (enough to cover essential items such as basic appliances, Wi-Fi and lighting), combined with access to clean, efficient and affordable transport to ensure access to education, medical care, jobs and leisure.

While providing this basic right to energy, public measures and subsidies must continue to accelerate fossil fuel phase-out. A focus on more vulnerable groups is required here, to ensure that they can become active participants in the energy transition. One promising but as yet underexplored policy tool here is the provision of green vouchers and green basic services, that for example could be applied to insulate homes, use public transport, purchase and install a heat pump or solar panels. A systematic approach to greening existing social housing must accompany this.

At the other end of the spectrum, efforts to reduce the overconsumption of energy must be intensified. Creating a strategic plan for the long-term common European energy project means taking sufficiency seriously. Concrete policies to deliver this include frequent flyer levies, higher taxation of big/over-consumers and a retargeting of subsidies away from private electric cars to clean public transport, to just name a few.

The EU must also take a stronger role in setting transparency and information rules for national governments. If citizens are to be enabled to become active drivers of their own energy transition, they must be given robust, clear information and guidance, as well as tools to navigate their options for renovation, construction and sustainable transport.

Jobs and skills

It is not only households that are struggling with the impact of the transition. Businesses, industry and workers are also having to adapt at pace. The clean energy transition does not only present opportunities for employment, the environment, biodiversity and the social fabric of the regions: it also brings new risks, and these need to be identified and mitigated. Planning for a common approach to ensuring a socially just EU energy project must take this to heart.

The European industrial framework needs to be stronger and more planned. From the social perspective, it is essential that conditions be imposed on the establishment of new businesses and the transformation of existing ones. These conditions need to be enforceable, and to feature more prominently in the EU's industrial policy framework.

In parallel with this, the EU needs to update parts of its employment and skills policy to adapt them to this new clean economy. The jobs created along the way must be good ones: well paid, safe, and with strong workers' rights. Trade unions are an important actor in making this happen, and should therefore be a key point of reference for new industrial and employment frameworks. We have identified a lack of equal opportunities in terms of access to new, high-quality jobs. A planned strategy can solve this. Efforts must be made to ensure the inclusion of women and other social groups that are under-represented in industrial jobs.

The skills required for these new jobs obviously differ from those that were needed in the pre-transformation economy. New strategies for training and educating workers to acquire and develop the skills required for the transition are essential. Fiscal conditionalities along the lines of those in the USA's Inflation Reduction Act can be put in place to incentivise private businesses to play their part in the common project.

Finally, a shake-up of education at all levels is required. The new skills required must be taught in schools and higher education institutions, and in a way that tackles current educational inequalities. It will not be enough for Member States to create new qualifications, however: these need to be recognised throughout the EU. A well-functioning common European energy project will require the EU to speed up its work on ensuring that skills and qualifications are recognised across all Member States.

Territorial and global considerations

Putting this planning into action will require the utmost care and transparency across the board, as well as the implementation of best practice in terms of social and environmental conditionalities both at home and abroad through whole-of-value-chain thinking. The strategic planning for a collective social European energy project must become an exemplar with regard to the global dimension. Policy impacts on other parts of the world must be given far more consideration in long-term planning and strategy³.

Financing the strategic plan

It is now clear that the spending capacities to deliver the transition must be expanded. This will require a balanced combination of new money, new paradigm and new tax system.

Future-proof government investment that helps deliver a socially just energy transition should be incentivised, not discouraged. From a long-term perspective, it is only logical to exempt these kinds of investment from fiscal austerity. Put simply: in its current form, the EU's economic governance framework is an insurmountable obstacle to strategic long-term planning for a common, socially just European energy project.

Fixing the EU's fiscal rules will not be enough, however. New central EU resources will be required too. We argue for an expanded central financial capacity along the lines of the NextGenerationEU. This additional capacity will be critical to maintaining and strengthening intra-EU cohesion and solidarity.

The state aid framework must also be revised since, in conjunction with the expanded financial capacity discussed above, this would also help revitalise the infrastructure. This revision must however draw lessons from past failures such as the liberalisation of the freight sector.

The enormous power of private finance must also be harnessed. Public policy must help unlock private finance for both business and domestic retrofitting and energy transition. This includes steering banks towards providing access to cheap loans to personal customers for domestic renovation projects, as well as to municipalities for improvements to their district heating systems, public transport, etc. As discussed in our Political Brief on energy security, it also means setting rules. Important first steps have already been adopted in terms of corporate due diligence, but it remains essential to close remaining gaps. No European business should be allowed to ignore human rights, social impacts and environmental harm in their value chains.

Finally, tax systems need to be overhauled, with measures ranging from windfall taxes to tax credits for poorer households to help pay for retrofits and other home projects that contribute to the energy transition.

Conclusion

When we start looking beneath the surface it quickly becomes clear that the European energy project cannot garner widespread public support without a fundamental rethink of the way our society is organised. This Political Brief is above all else a call for a drastic revision of how the EU – including its energy project – is structured. Implementation of the above proposals would almost certainly require treaty changes, and the current political atmosphere is not exactly enthusiastic about new federalist leaps. Nevertheless: in the same way that the European community built itself on the basis of a common project for peace and reconciliation, it could now reinvent itself on the basis of a socially just transition towards a green transformation of society.

Endnotes

¹ €758 billion since the start of the energy crisis in September 2021, according to a Bruegel study: <https://www.bruegel.org/dataset/national-policies-shield-consumers-rising-energy-prices>

² See for example:

- Industrial Europe: <https://news.industrial-europe.eu/Article/1006>,
- European Economic and Social Committee: <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/advancing-eus-just-transition-policy-framework-what-measures-are-necessary>
- European Parliament: https://www.europarl.europa.eu/doceo/document/A-9-2023-0342_EN.html

³ For a detailed discussion on these issues, see the International System Change Compass, authored by Open Society Foundations, The Club of Rome and Systemiq: <https://www.opensocietyfoundations.org/publications/international-system-change-compass>

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About Knowledge Communities

GEF's Knowledge Communities are aimed at advancing political and public debates towards a green, socially just Europe, through establishing lasting networks of knowledge production, exchange and dissemination. They are structured around and with a GEF core expert, who delivers a political stock-take as well as new proposals and ideas for discussion with a wider group of actors (i.e. the Knowledge Community). This political brief results out of one of these Knowledge Communities.

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The Green European Foundation (GEF) is a European-level political foundation whose mission is to contribute to a lively European sphere of debate and to foster greater citizen involvement in European politics. GEF strives to mainstream discussions on European policies and politics both within and beyond the Green political family. The foundation acts as a laboratory for new ideas and offers cross-border political education and a platform for cooperation and exchange at the European level.

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