GREEN
EUROPEAN
JOURNAL

Sustainable Welfare: Social Protection in Times of Ecological Crisis

Article by Matteo Mandelli, Philippe Pochet, Taube Van Melkebeke
June 12, 2024

Europe's welfare states face unprecedented challenges from the ecological crisis and its social fallout. Can sustainable welfare deliver the EU's needed ecological transformation in a socially just way?

The EU's attempts to tackle the ecological crisis consist of public policies aimed primarily at reducing emissions. These span sectors such as energy, industry, agriculture, housing, transport, and spatial planning. While recent data reveals progress in, for instance, the industrial and renewable energy sectors, areas such as transport, housing, and agriculture are lagging behind.

Insufficient progress in these latter areas shouldn't come as a surprise. The imperative to address emissions is accompanied by significant societal implications, namely the potential of green transition policies to both exacerbate vulnerabilities and create new ones. This comes on top of the threats produced by the ecological crisis – for example, through heatwaves and floods – and the current lack of a proper adaptation policy offer.

Indeed, both the direct impacts of the ecological crisis and those of the green transition are creating a new wave of social risks. These affect particular social groups in different ways: workers facing industrial restructuring because of the transition; low-income households grappling with higher energy and commodity costs; and marginalised communities affected by destructive environmental conditions.

As the world heats up, the already fragile foundations of European welfare states are under unprecedented pressure. Not only do ecological challenges and the policies designed to respond to them create and exacerbate social risks that require increased public social expenditure, but the structures and aims of existing welfare states are also not fit for this new reality. Today's social protection systems were built during a different time, with different social risks. They are, as a consequence, unequipped to diminish carbon and material footprints.

European welfare states thus occupy a complex position in the era of ecological crisis. On the one hand, there is a need for expanded social policies – in both expenditure and scope – to protect societies from intensifying risks; on the other, measures must be taken to ensure that social policy also successfully addresses the ecological crisis. Overcoming this catch22 will require transformative changes in European welfare states, both at the level of EU social policies and national welfare systems, to align social and ecological objectives, foster synergies, and minimise trade-offs between the two.

Welfare within planetary boundaries

Against this background, the concept of "sustainable welfare" is emerging as an alternative in both academic and political circles. It aims to meet human needs within planetary boundaries, taking into account both intergenerational and global perspectives. Using the language of Kate Raworth's "doughnut economics",[1] we can say that sustainable welfare seeks to guarantee a social foundation by satisfying essential needs for all while respecting the ecological ceiling, as defined by planetary

boundaries. It pursues an equitable redistribution of resources and opportunities, as well as the preservation of a safe ecological space for human and nonhuman activities.

Indeed, to make welfare states fit for the current era of ecological crisis, sustainable welfare is indispensable. It would advance mitigation efforts while protecting citizens from the new risks stemming from mitigation policy. And it would also protect humans against the effects of the ecological crisis and advance the EU's adaptation agenda.

Today's social protection systems were built during a different time, with different social risks.

To put this alternative paradigm into practice, a new range of public policies, integrating social and ecological goals, is needed. These are often referred to as eco-social policies. Various proposals for eco-social policies have been put forward recently by both academics and advocacy groups, from Universal Basic Services (water, transport, and housing, for example) to Participation Income. In spite of a lively debate, however, these policies currently remain more aspirational proposals than concrete political realities, making sustainable welfare a seemingly distant utopia. The "siloisation" of governance, in other words, the lack of collaboration across different policy domains, as well as short-termism, appears to be a key barrier.

Building on the just transition

The closest the EU has come to such an ecosocial policy approach is its "just transition" narrative, which acknowledges that decarbonisation disproportionately affects certain groups. The EU's just transition policy framework is characterised by the "leave no one behind" catchphrase, which featured prominently in the 2019 European Green Deal.

A first attempt to put this catchphrase into practice came through the establishment of the Just Transition Mechanism. This mechanism addresses the social and economic effects of climate mitigation, focusing on the regions, industries, and workers who will face the greatest challenges. These are primarily those involved in the phase-out of coal and other fossil fuels. It is a targeted policy effort that should help to mobilise around 55 billion euros over the period 2021 to 2027.

A second, more recent policy instrument designed to deliver on the EU's just transition aspirations is the Social Climate Fund. Put forward in 2023, this new fund is meant to compensate vulnerable energy and transport consumers for the costs that will result from the new Emissions Trading System for buildings and transport (ETS 2). It will amount to about 87 billion euros and run for five years beginning 2027.

Finally, another notable concrete policy measure from a socio-ecological perspective is represented by the Council Recommendation of 16 June 2022, which seeks to ensure "a fair transition towards climate neutrality". This aims at setting out guidance to member states on the necessary policy packages so that no one is left behind in the green transition.

On top of these ad-hoc, Green Deal-related initiatives, other existing EU tools can be used to deliver the just transition, including the Cohesion Fund, the Recovery and Resilience Facility, and the Modernisation Fund. Some EU countries have also introduced similar policies at the national level, one notable example being Spain's Just Transition Strategy.

Political takeaways

From a political point of view, it is imperative to understand how the establishment of the European just transition framework was made possible. A first takeaway is that the appearance of urgent social risks successfully exerts pressure on welfare states to introduce new eco-social policies. This was the case with the accelerated phase-out from fossil fuels in several EU countries, which propelled governments to pay attention to affected workers and communities.

Second, just transition policies often originate from negotiated pacts between socio-political actors seeking to promote the green transition and actors representing at-risk categories (for instance, trade unions and the governments of carbon-intensive regions). These two sides find a compromise solution in the just transition concept, which allows them to establish successful coalitions instead of coming to loggerheads.

Third, once the just transition discourse enters the political agenda, it seems to easily attract broad consensus, including among big energy companies, trade unions, and climate activists. The just transition narrative makes everybody feel that they can gain something, and in this sense it appears to be much less contested than a mere decarbonisation strategy that doesn't address its social impacts.

Useful but incomplete patchwork

While representing a move towards finding synergies between social and environmental protection, the EU's "leave no one behind" narrative is also flawed.

If the green transition is understood as a process, then it ignores the fact that many groups (homeless people, for instance, or other marginalised communities) are already excluded at the outset. The European just transition narrative does not pull such people in.

Moreover, it ignores the inconvenient truth that overconsumption is a key issue, both from an ecological and an equality point of view. The ecological crisis is human-made, with widely varying shares of responsibility. In Europe, a person from the richest 1 per cent emits on average 14 times more carbon than a person in the bottom 50 per cent. The "leave no one behind" paradigm does not place enough emphasis on the fact that high emitters will need to drastically change their behaviour.

These gaps in the just transition narrative are reflected in the policies designed to pursue it. Instruments like the Just Transition Fund and Social Climate Fund exemplify the EU's approach to addressing the social impacts of the green transition through compensating certain groups of citizens, but they will not be able to deliver at the required scale to prevent or protect people from new risks. Indeed, the European just transition policy framework can best be described as a hotchpotch of helpful yet non-transformative initiatives that, at most, enable some relief for a segment of the European population.

This unfulfilled framework is a key factor in explaining why, despite a growing understanding of, and concern for, the ecological crisis, support for the European Green Deal is diminishing. Indeed, the green transition faces a range of challenges, not least the populist narrative that co-opts insecurities and risks and weaponises fear in order to impede swift action. This narrative is extremely dangerous, given that halting climate action will exacerbate long-term consequences for the most vulnerable and dramatically increase future adaptation costs.

Reform and adapt

Considering the mounting risks, it is critical to deliver the green transition in a speedy manner. Doing so will require stepping away from the current patchwork approach, towards one that is truly just, and therefore, transformative: sustainable welfare.

Putting sustainable welfare central on EU policymakers' agendas won't take things back to square one. We already have a solid, formalised framework to build on. This institutional framework goes back to the introduction of modern welfare states in the late 1800s across Europe. Established to protect people against the risks of industrialisation – in many ways a juncture as significant as today's – the welfare state has arguably been one of the most positive political projects ever seen on European soil. With the climate, environmental, and biodiversity crisis worsening along with its social impacts, it is now time to reform and adapt the welfare state to protect citizens from new risks.

It is now time to reform and adapt the welfare state to protect citizens from new risks.

And there is more. We already have strong momentum with the EU's just transition framework. Although this is far from the transformative ideal that sustainable welfare advocates, it should not be taken for granted, but rather welcomed as a step in the right direction. Albeit incomplete, the European Green Deal, with its ambition to leave no one behind and its establishment of policies that venture into previously untouchable member states' competences (in particular with the Just Transition Fund and the Social Climate Fund), is a quantum leap for the EU.

Transformative eco-social policies

From a policy perspective, putting this aim in practice shouldn't be viewed as a rigid either/ or exercise. Instead, multi-pronged efforts can provide a pathway towards sustainable welfare.

Some pragmatic policy reforms can have an immediate impact while also leading the way to transformative change. A concrete example is the decarbonisation of the entire healthcare infrastructure. Another would be the expansion of social protection schemes to include new risks such as extreme weather events and industrial restructuring. A third is the relatively simple proposal to strengthen the scope and timespan of the existing funding mechanisms, in particular the Social Climate Fund and the Just Transition Fund, thereby turning their reactive nature into a potentially preventive one. On the financial side, Europe's Structural and Investment Funds and the EU's multiannual financial framework should be directed towards creating the space to deliver much-needed resources to eco-social initiatives.

These proposals could enable bigger leaps towards sustainable welfare and more transformative eco-social policies. For example, decarbonising the healthcare infrastructure could lead policymakers from different sectors to develop a practice of working together that would enable them to establish common goals towards an eco-social systemic governance. Meanwhile, including new risks in welfare systems could inspire governments to experiment with innovative eco-social measures. Additionally, the strengthening of EU funding for a just transition could propel an eco-social reinforcement of European governance mechanisms, such as through the establishment of a needed Just Transition Observatory or a stronger focus on eco-social goals, indicators, and policies in both the European Semester and the governance of the Energy Union.

Finally, the mainstreaming of sustainable welfare goals in budgetary and cohesion policy would unlock

transformative thinking at the highest policy level and instigate an essential transformative whole-of-governance approach. In this sense, the just transition policy framework connected to the European Green Deal may represent a rare case of positive path dependence, whereby the current framework provides the seeds for incremental development.

These eco-social policy proposals are not just theoretical concepts. They can be put at the heart of the move towards sustainable welfare.

Political alliances

Empirical evidence shows that just transitions come about as a result of well-functioning democratic policy processes that respond to new societal risks and problems, allow potentially conflicting actors to find common ground, and ensure broad societal consensus for policy changes.

The same evidence nevertheless shows that this democratic process also conceals barriers to a more transformative paradigm shift towards sustainable welfare. Indeed, policymaking in modern democracies suffers from short-termism and context dependency, and its yearning for consensus often leads to watered-down policy solutions. Yet the green transition will not be socially fair if it is not democratically just. Therefore, a pressing question remains: what can be done to turn sustainable welfare and eco-social policy proposals from a theoretical ideal to a politically successful reality while ensuring the transformation is democratic?

One solution would be enhancing socioecological alliances. These alliances have been key to driving just transition processes in Europe, and they will need to be strengthened if they are to weather harsher political conflicts, such as those we can expect as the green transition and the ecological crisis proceed. This can be done in several ways.

The green transition will not be socially fair if it is not democratically just.

First, solidifying green-progressive partisan collaborations and establishing formal partnerships between trade unions and environmental NGOs could serve as an effective initial step. At its core, strengthening socioecological alliances would involve bridging the divides among the different groups, some that typically support environmental policies and others welfare policies. It is crucial that these two groups become, or remain, politically united rather than forming alternative alliances. The policy proposals mentioned above could give input to, and help structure, these alliances.

Second, to activate socio-ecological coalitions, democratic engines should be reinforced. To this end, it would be crucial to revamp social dialogue, an institution that has been key for the expansion of the welfare state. Through the formal involvement of membership-based societal organisations – typically trade unions and business groups – social dialogue has enabled inclusive policymaking for decades, making sure that nobody is left behind. This institution should be brought back and adapted to the context of the ecological crisis, by including green interests and by making sure not to disproportionately favour economically powerful actors.

Finally, another important step in strengthening socio-ecological alliances would be to give political voice to those societal groups that are often marginalised despite inherently embodying social and ecological interests. This includes, for instance, care sector workers who provide essential services within planetary

boundaries but currently lack adequate political representation. In this sense, putting public service unions at the centre of the green transi tion and encouraging their mobilisation could be an effective strategy to steer transformative sustainable welfare changes.

Building on existing ground

Sustainable welfare is arguably the most promising policy framework at hand to deliver the EU's ecological transformation in a socially just and fair way. It has the potential to protect citizens from new risks, thereby acting as a form of adaptation. And also it brings the EU within planetary boundaries, thereby helping to mitigate the ecological crisis.

From a political perspective, Europe might seem far away from adopting this new framework. In reality, however, it is not. The skeleton is already in place, in the form of our current welfare states. And the newly established EU Just Transition Framework is a clear step in the right direction, one that must be reinforced and built upon. Quick wins and transformative policy options can be combined to lead the way and should be at the heart of a revamped coalition of green and progressive voices all over Europe. Just as we cannot have strong social welfare states without a safe climate and environment, we cannot avert the ecological crisis without social justice. And no socio-ecological transition can take place without a truly democratic process.

Matteo Mandelli is a postdoctoral research fellow at the Laboratoire interdisciplinaire d'évaluation des politiques publiques, Sciences Po Paris. He currently collaborates with the Green European Foundation (GEF) and is a board member of the Sustainable Welfare and Eco-social Policy Network. He holds a PhD in political studies from the University of Milan.

Philippe Pochet is general director of the European Trade Union Institute (ETUI), professor at the Université catholique de Louvain, and associated researcher at the Interuniversity Research Centre on Globalization and Work (CRIMT, Montreal). Prior to joining ETUI in 2008, he was director of the Observatoire social européen for 16 years.

Taube Van Melkebeke is policy manager at the Green European Foundation (GEF). She leads the Foundation's policy branch – "Knowledge Communities" – which includes work on welfare and energy. She was previously policy advisor on EU politics and climate governance at the climate think tank E3G.

Published June 12, 2024
Article in English
Published in the *Green European Journal*
Downloaded from https://www.greeneuropeanjournal.eu/sustainable-welfare-social-protection-in-times-of-ecological-crisis/