

[View this email in your browser](#)



WeLaR Newsletter
Issue #4 / September 2023

Content

[The emerging EU just transition framework: limitations and ways forward](#)

[WeLaR concludes literature review on the impact of four megatrends on labour and welfare state](#)

[WeLaR outlines its research procedure](#)

[WeLaR's Lewandowski co-edits book on wage inequality in developing countries](#)

From the Editors

As this extremely hot summer draws to a close, we bring you the latest updates from the WeLaR project. According to the [EU's Copernicus Climate Change Service \(C3S\)](#), July was the hottest month ever recorded on Earth, a dubious achievement that underscores the pressing need to mitigate global greenhouse gas emissions, the primary causes behind this alarming trend. Appropriately, the highlight of this issue is a piece by Sebastiano Sabato of the European Social Observatory, discussing the challenges of the green transition within the EU, particularly in the context of the labour market and the welfare state.

Despite the heatwaves, the WeLaR team continued conducting research and planning out our next steps. We completed a comprehensive literature review on the impact of four megatrends on labour and the welfare state, which will help stakeholders and policymakers understand WeLaR's research aims and assist project partners in navigating through the project and its various tasks. We also finalised a research strategy that outlines our approach to data sources, establishing procedures and tools that will be used to study the impact of demographic changes, globalisation, digitalisation, and climate change on labour markets and welfare states in Europe.

Summer also provided us with the perfect opportunity to revamp our website. We added new tabs on our research infrastructure, which will give scientists and other interested parties access to the literature our project is building on, and the models and datasets it uses. [Check it out!](#)

In this issue you can also find a short note on a book on wage inequality in developing countries that was co-edited by our researcher Piotr Lewandowski of the Institute for Structural Research (IBS).



The emerging EU just transition framework: limitations and ways forward

Sebastiano Sabato, OSE

Like the other three megatrends we analyse in Project WeLaR, climate change is putting pressure on the labour market and the existing structures of the welfare state, creating winners and losers and increasing inequality. That means building an environmentally sustainable development model will require important transformations of European economies and societies.

These transformations, referred to by the European Union (EU) as “the green transition”, will have significant social consequences. The notion of a *just transition* (Morena et al., 2020) has the potential to ensure consistency and integration of social and ecological objectives and policies, recognising the essential role of the welfare state in achieving a fair green transition. ‘Transition-proof’ welfare states should be able to serve four main functions (Sabato and Mandelli, forth.): i) providing a social benchmark for green transition policies; ii) directly enabling the achievement of the objectives of the green transition and facilitating the implementation of green transition policies; iii) ensuring adequate buffers for vulnerable people through social protection and social assistance; and iv) building consensus on and managing conflicts related to the green transition.

Following the publication of the European Green Deal in 2019, an EU just transition framework has gradually emerged, comprising policy orientations, legislation and funding aimed at ensuring that the EU and its Member States can make the most of the opportunities deriving from the green transition while addressing the related social challenges. While these initiatives are certainly a step forward in the attempt to achieve simultaneously ecological and social objectives, a number of criticisms have been levelled at this framework. In particular, the reliance on the decoupling of economic growth from greenhouse gas emissions and resource use has been dubbed unrealistic (Laurent, 2021), and doubts have been cast on the framework’s comprehensiveness and consistency, and the adequacy of funding (Akgüç et al., 2022).

From a welfare state perspective, the EU just transition framework appears “unbalanced” (Sabato and Mandelli, forth.). On the one hand, both the benchmarking and the enabling functions of welfare states are fairly developed, at least on paper: EU policy instruments mention measures aimed at ensuring the fairness of “green policies” (e.g. to facilitate vulnerable households’ access to measures for improving buildings’ energy efficiency), social investment policies to provide skills for a greener economy, and measures to reduce the ecological footprint of the welfare infrastructure. On the other hand, the buffering function of welfare states is almost absent (with the exception of the recently adopted Social Climate Fund), while most EU initiatives provide only recommendations on the role of social and civic dialogue as a means to build consensus and manage transition-related conflicts.

Thus, the EU just transition framework should be urgently strengthened, including by: i) exploring innovative ways to make national welfare states more “sustainable” (cf. Büchs and Koch, 2017), reducing their environmental footprint and increasing their ability to anticipate and ‘buffer’ the social impacts of climate change, environmental degradation, and green transition policies; ii) fully integrating just transition initiatives into EU socio-economic governance and in the implementation of the European Pillar of Social Rights; and iii) strengthening and renewing social and civil dialogue structures, thus enhancing the democratic character of the green transition.

Project WeLaR seeks to support policymakers in this task of strengthening the model for transition, helping welfare states find ways to address the emerging challenges of climate change and ensuring that over the long haul, welfare models are well-funded, sustainable – and just.

Main source: Sabato, S., Büchs M. and Vanhille J. (2023) ‘A just transition towards climate neutrality for the EU: debates, key issues and ways forward’, Background paper commissioned by the Belgian Federal Public Service – Social Security, OSE Paper Series, Research Paper No. 52, Brussels: European Social Observatory.

References

Akgüç M., Arabadjeva K. and Galgoczi B. (2022) Why the EU’s patchy ‘just transition’ framework is not up to meeting its climate ambitions, ETUI.

Büchs, M. and Koch, M. (2017) *Postgrowth and Wellbeing: Challenges to Sustainable Welfare*, Basingstoke: Palgrave Macmillan.

Laurent E. (2021) The European Green Deal: from growth strategy to social-ecological transition?, in Vanhercke B., Spasova S. and Fronteddu B. (eds.) *Social policy in the European Union: state of play 2020. Facing the pandemic*, OSE and ETUI, 97-111.

Morena, E. Krause, D. and Stevis, D. (eds.) *Just Transitions: Social Justice in the Shift Towards a Low-Carbon World*, London: Pluto Press.

Sabato, S. and Mandelli, M. (forth./2023), Towards an EU framework for a just transition: welfare policies and politics for the socio-ecological transition, *European Political Science*, Symposium "Political science perspectives on the emerging eco-social policies, politics and polity in the European Union".



Sebastiano Sabato

Sebastiano Sabato, PhD in Political Sciences, is a senior researcher at the European Social Observatory (OSE asbl), where he has been working since 2014. His main research interests include EU socio-economic governance, comparative social policy, industrial relations, and policies for the socio-ecological transition.



WeLaR concludes literature review on the impact of four megatrends on labour market and welfare state

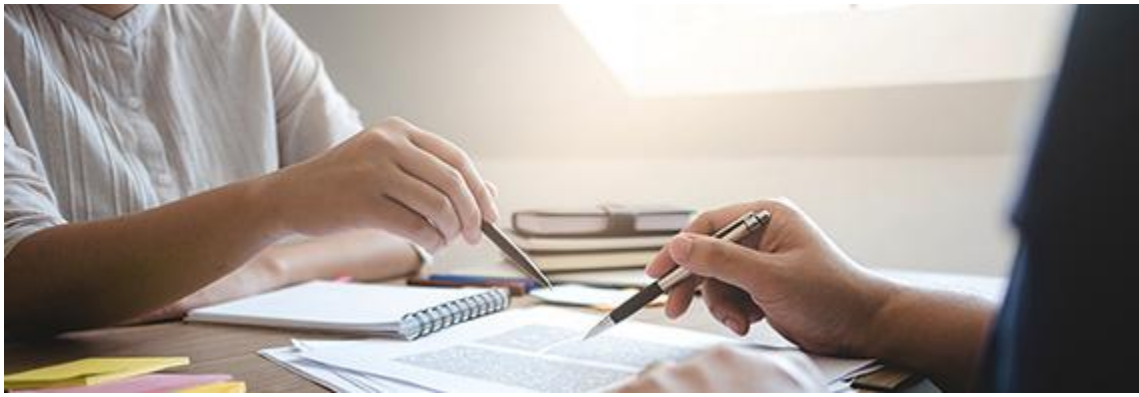
WeLaR researchers have completed their first report, a review of the existing literature on the four megatrends they will study: demographic changes, globalisation, digitalisation and climate change, and how they affect the labour market and the welfare state.

The report will help stakeholders and policymakers understand WeLaR's research aims and ambitions, and show what kind of insights and outputs they can expect. Secondly, it will assist project partners in navigating through the project and its different tasks, and ensure that researchers working in various areas, such as labour demand, labour supply, the welfare state and public finance, have a common understanding and awareness of the big picture of the project.

The literature review summarises the existing body of knowledge, identifying areas where further research is needed to address the challenges that the four megatrends pose for the European Union's labour landscape. It covers two strands of literature, on:

- the relationship between welfare policies and labour market aspects of globalisation, digitalisation, demographic change, and climate change,
- building inclusive societies and economies with forward-looking perspectives.

To read the "Report on the state of the art and research gaps", please [click here](#).



WeLaR outlines its research procedure

To ensure the effectiveness and reliability of the project's scientific output, the WeLaR team has developed a research strategy that outlines its approach to data sources, establishing procedures and tools that will be used to study the impact of demographic changes, globalisation, digitalisation, and climate change on labour markets and welfare states in Europe.

The document "Research Protocols", developed by Ludivine Martin, Javier Olivera, Piotr Lewandowski, Barbara Glinsner, Ursula Holtgrewe, Laurène Thil, and Mikkel Barslund, identifies objectives, target groups, procedures, quality control measures, and data handling mechanisms. It is aimed at ensuring consistency in the methodological approaches used in various stages of research and will guide the research process. WeLaR's research will be conducted according to the principles of the European Code of Conduct for Research Integrity as well as the principles for investigating research malpractice.

WeLaR relies on a wide array of existing datasets (e.g. EU-LFS, PIAAC, ORBIS, EU-KLEMS, OECD's EPL) and will also gather its own quantitative data via surveys, and qualitative data via interviews. Handling data in a responsible and secure way is an important element of the research process and this document outlines how this process is designed in accordance with the EU GDPR regulations to ensure data security and privacy.

The document also describes the approach to selection of stakeholders and their role in the project, which features activities such as validating and embracing the project's findings, conclusions, and recommendations.

Ludivine, M., Olivera, J., Lewandowski, P., Glinsner, B., Holtgrewe U., Thil, L., and Barslund, M., (2023). Research Protocols: (Deliverable 2.2). Leuven: WeLaR project 101061388 – Horizon Europe.

The report is available [here](#).



WeLaR's Lewandowski co-edits book on wage inequality in developing countries

WeLaR researcher Piotr Lewandowski of the Institute for Structural Research (IBS) co-edited a book on the main drivers of earnings inequality in low- and middle-income countries. The book aims to fill a gap in the literature on labour market polarisation in developing countries by studying the role of skills, institutions, and occupational tasks in the evolution of earnings inequality.

Tasks, Skills, and Institutions: The Changing Nature of Work and Inequality analyses 11 developing countries in Africa, Asia, and Latin America, testing the extent to which changes in jobs and wages polarise work and fuel inequality.

The country case studies demonstrate that work and earnings polarisation has been less common in low- and middle-income countries than in high-income ones. In developing countries, technological change does not have such strong effects on task transformation, so job deroutinisation is slower. Moreover, rising premia associated with higher education contribute to inequality.

On the other hand, labour market institutions such as the minimum wage have played an important role in limiting earnings inequality in developing countries. The authors argue that the importance of these institutions will increase when technology adoption accelerates and returns on skills rise further.

Tasks, Skills, and Institutions: The Changing Nature of Work and Inequality, edited by Carlos Gradín, Piotr Lewandowski, Simone Schotte and Kunal Sen, Oxford University Press, UNU-WIDER (2023).

DOI: 10.1093/oso/9780192872241.001.0001

You can access the publication [here](#).



Twitter



Website



LinkedIn



**Funded by
the European Union**

**This project, WeLaR, has received
funding under the Horizon Europe
programme.**