

A Just Transition Needs More Than Good Intentions

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Europe's green and digital transformations are necessary, but they will not distribute their benefits and costs evenly. They will create new industries and employment, while also closing workplaces, changing occupations and imposing large adjustment costs on particular workers, sectors and regions. A transition cannot be judged just simply because employment grows somewhere in the economy or because its long-run aggregate benefits exceed its costs. The relevant question is who bears the burdens of change, how heavy those burdens are relative to people's ability to absorb them, and whether those most affected have the rights and resources needed to shape what happens.

This is the case for a binding European framework for just transition. Recommendations, guidance, funding and exchanges of good practice can all be useful. Collective bargaining is indispensable. But none of these, by itself, guarantees timely participation, income and employment protection, paid training, or a realistic route into another quality job. Binding minimum standards should establish the floor, while social partners should retain wide scope to negotiate how those standards are implemented in different sectors, companies and regions.

The justice test

In *Defining Just Transition*, my co-authors and I propose a simple criterion for comparing policies capable of achieving the same environmental objective: the just policy is the one that makes the heaviest relative net burden borne by any affected group as light as possible. Burdens are relative because an identical loss of income, period of unemployment or requirement to retrain can have very different consequences depending on workers' income, employment prospects, age, skills, contractual position and local labour market (Galanis et al., 2025).

This criterion does not require that every existing job be preserved or that no group bear any cost. It asks policymakers to compare feasible ways of reaching the same transition objective and to examine the distribution of their net costs. Aggregate job creation is not enough if one policy leaves a particular group facing prolonged unemployment, a major loss of income or movement from secure employment into precarious work when another feasible policy would reduce that burden.

The institutional implication is important. If justice is decided by what happens to the groups carrying the heaviest relative burdens, the effectiveness of protection cannot depend on their pre-existing bargaining power. Voluntary measures do not merely risk uneven implementation. They are likely to be least effective where protection is most needed. Workers covered by strong collective bargaining institutions may be able to turn recommendations into meaningful agreements. Those with weaker representation may not. Yet it is often the latter who have the least capacity to absorb job loss or income disruption. A framework whose effectiveness depends on workers already possessing strong institutions is poorly designed to protect the worst placed.

The existing binding layer is important, but incomplete

EU law already contains binding protections for workers affected by restructuring. The Information and Consultation Directive covers the probable development of employment and anticipatory measures where

employment is threatened. The Collective Redundancies Directive requires consultation when redundancies are contemplated and includes discussion of ways to avoid or reduce dismissals and mitigate their consequences, including redeployment or retraining. The Transfer of Undertakings Directive protects employees in business transfers and requires information and consultation, while European Works Council rules provide rights in large multinational companies (Directives 2002/14/EC, 98/59/EC and 2001/23/EC; Directive (EU) 2025/2450).

These rights matter and should be properly enforced. But acknowledging them does not establish that Europe already has a binding just transition framework. The existing instruments address particular events and are mainly concerned with information, consultation and the protection of existing employment rights. Even where training is mentioned as a possible accompanying measure, they do not create a general individual entitlement to paid transition training. Taken together, they do not require a forward-looking just transition plan, guarantee income during adjustment, secure movement into employment of comparable quality, or require employers and public authorities to identify which groups face the highest relative net burdens and compare ways of reducing them.

The distinction is therefore not between law and no law. It is between an existing body of event-specific protections and a comprehensive framework designed for the distributive challenges of the twin transition. A legal framework can be fit for its established purpose while remaining insufficient for this new and broader purpose.

Participation is part of justice, not an afterthought

The case for early worker involvement is also stronger than the familiar argument that consultation improves acceptance. Participation helps determine which groups are recognised, which costs are measured and which alternatives are considered. A workforce described as a single group may conceal very different effects on permanent and temporary workers, directly employed and subcontracted workers, older and younger workers, or workers living in regions with very different prospects of finding another quality job.

This is a procedural element of the just transition criterion itself. In our framework, affected groups are identified partly through the distribution of policy costs. Meaningful participation is necessary to reveal those costs and the characteristics that make them more or less severe. Without it, employers or public authorities may overlook the workers who carry the heaviest burdens and therefore misidentify the more just policy (Galanis et al., 2025).

Consultation must consequently occur while the principal alternatives remain open. Information delivered after the location of investment, the technology to be adopted, the timetable for closure or the allocation of training resources has effectively been fixed may satisfy a formal procedure without allowing workers to shape the distribution of costs. Early negotiation is not simply a way of communicating restructuring more effectively. It is part of determining what a just restructuring would be.

Why soft instruments are not enough

Experience provides reasons to doubt that a voluntary framework can fill these gaps. In 2013, the European Parliament used Article 225 TFEU to request a legal act on the anticipation and management of restructuring. The response was the voluntary EU Quality Framework for Anticipation of Change and Restructuring (European Parliament, 2013). A subsequent Commission monitoring study found that awareness and application of the framework were uneven, limiting its practical reach (European Commission, 2018).

The 2024 gas-sector negotiations offer an even clearer illustration. After nine months of negotiations, the employers' organisation did not adopt a just transition agreement reached by the employer and trade union negotiating delegations. The proposed agreement would have required company transition plans, quality training, job-to-job transitions and worker and trade union involvement (EPSU and industriAll Europe, 2024). This does not show that social dialogue is unimportant. It shows the opposite: valuable outcomes may be negotiated, but remain unavailable where one party retains the option to withhold final agreement.

Soft instruments also leave firms with incentives to transfer adjustment costs to others. A company can reduce its own expenditure by limiting retraining, accelerating redundancies or treating any subsequent employment as a successful transition. The resulting costs are then borne by workers, their families, local communities and public budgets. What appears efficient from the standpoint of an individual balance sheet may be socially costly and distributively unjust. Binding rules are needed to prevent the costs of transition from being externalised in this way.

There is also a restorative reason for enforceable protection. Where workers and communities that did little to cause the environmental problem bear some of the largest costs of addressing it, support should not be treated as discretionary assistance. It is a matter of remedy. For that remedy to be claimable rather than charitable, it must correspond to an obligation owed by employers, public authorities or both.

A binding floor with negotiated implementation

No single transition plan can fit every industry or region. Steel, transport, energy, agriculture and digital services face different technologies, employment structures and adjustment pressures. Regional labour markets also vary greatly. But this supports flexibility in implementation, not voluntarism in entitlement.

European rules can establish common minimum rights while leaving social partners substantial freedom to design sectoral and company-level solutions. A right can be universal even when the arrangements used to realise it differ. Indeed, binding standards can strengthen collective bargaining by ensuring that negotiations begin early, that relevant information is available and that employers have an incentive to reach workable agreements. Tailored solutions are meaningful only when workers enter the process with enforceable rights rather than depending on goodwill or their existing bargaining strength.

What a binding framework should provide

A European framework need not determine every aspect of restructuring. It should establish a limited set of guarantees that turn just transition from an aspiration into an enforceable process.

1. **Early information, consultation and negotiation.** Workers and their representatives should have enforceable rights before major restructuring, decarbonisation or technological change becomes irreversible. Consultation should cover feasible alternatives and aim at agreement.
2. **Mandatory just transition plans.** Major restructuring should be accompanied by a plan identifying which workers and communities face the highest relative net burdens, explaining how those burdens have been assessed, comparing feasible alternatives and showing how the proposed measures make the heaviest burden as light as possible.
3. **Paid training and reskilling.** Workers at risk of displacement should have access to relevant, high-quality training without bearing its cost. Training should count as working time where appropriate and should be linked to credible employment opportunities rather than offered as a formal exercise.
4. **Income and employment protection.** Support should cover the period of adjustment and aim at job-to-job transitions into employment of comparable quality. Avoiding unemployment is not sufficient

when the outcome is a large and persistent loss of pay, security, working conditions or collective representation.

5. **Enforcement and remedies.** Workers and their representatives should be able to enforce transition obligations. Labour inspectorates and other authorities need adequate powers and resources, and breaches should attract effective remedies and dissuasive sanctions.
6. **Social conditions on public support.** Transition-related subsidies, state aid and other public funding should be conditional on credible employment plans, worker participation, training commitments and respect for collective bargaining. Public resources should not finance economic transformation while its social costs are transferred to workers and communities.

Making justice a requirement

Binding standards alone cannot create new industries, replace every lost job or remove regional inequalities. A just transition will also require public investment, industrial policy, social protection, employment services and strong collective bargaining. But without enforceable minimum standards, workers cannot be certain that the institutions intended to protect them will operate when they are most needed.

The real choice is not between rigid legislation and flexible social dialogue. It is between a binding floor with negotiated implementation and a system in which essential protection remains dependent on voluntary uptake and uneven institutional strength.

A just transition cannot be defined by the existence of funds, recommendations or consultation procedures alone. It must be judged by whether workers and communities facing the heaviest relative burdens are actually protected and able to influence the decisions that affect them. Where that protection is optional, justice remains optional too.

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