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A European Eco-Social Agenda:
National Eco-Social Policy under the European Green Deal

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Abstract

Recent years have seen an expansion in eco-social policies that seek to reconcile environmental and social objectives jointly. At EU level, this shift is most evident in the European Green Deal (EGD) adopted in 2020 and in complementary initiatives such as the Just Transition Mechanism, with the same logic underpinning the Recovery and Resilience Facility (RRF) – the centrepiece of the NextGenerationEU pandemic recovery package. The adoption of the RRF and its close alignment with EGD priorities offer an opportunity to examine the influence of EU governance in this emerging policy context, particularly the mechanisms through which EU frameworks and funding arrangements steer national eco-social policy orientations.

Drawing on insights from international political economy on the role of institutions and the interactions between supranational governance and national struggles over policy change, the paper investigates the impact of recent EU's initiatives on eco-social policy in Italy and Germany – two large EU manufacturing countries that differ markedly in terms of RRF funding and available fiscal space. Relying on literature review, content analysis of relevant documents, and semi-structured interviews, the paper analyses the *content* of the EU's initiatives and national eco-social policy initiatives and agendas, as well as the *extent and nature* of EU governance involvement through the Semester and RRF – all to reveal the *dynamics* of the interaction between supranational pressure and national agency.

The findings show that the EU's eco-social orientation continues to foreground GDP growth, privileging market-based instruments to addressing socio-ecological challenges, and framing social policies less as social protection instruments and more as investments in human capital. The governance and conditionalities of the RRF operationalise this orientation, skewing national policy debates and struggles towards eco-social strategies aligned with EU-level priorities. This steering effect is stronger where RRF funding is larger and pre-existing eco-social policy frameworks are less developed. Overall, the paper highlights how EU governance reshapes national eco-social policy trajectories through a differentiated and conditional form of influence, reflecting the interaction between supranational pressures and national socio-political dynamics.

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1. Introduction

The accelerating climate crisis has placed societies under a dual challenge: environmental change produces profound social consequences, highlighting inequalities in vulnerability, employment, and living standards, while efforts to address it demand substantial industrial and labour transformations alongside broad societal support. Scholars have noted that the uneven impact of climate change risks generating a 'double' (Gough, 2011) or even 'triple' (Koch, 2019) injustice, whereby those least responsible for causing climate change are the most exposed to its negative impacts, have the fewest resources to cope with them, and may also bear a disproportionate share of the costs of climate mitigation and the green transition. Although environmental and social protection have historically been treated as separate (if not conflicting) policy objectives, recent socio-political upheavals – from the *Gilets Jaunes* protests in France to miners' mobilisations in Poland – have underscored the need to address them jointly (Graziano, 2024).

At EU level, realisation of environmental and social linkages became more explicit starting from 2019, with the publication of the European Green Deal (EGD) strategy, whose emphasis on growth and on a 'just' transition – a term originating within the labour movement in the 1980s (Cigna *et al.*, 2023) – signalled the attempt to reconcile economic objectives with decarbonisation and social rights (Sabato, Mandelli and Vanhercke, 2021; Sabato, Mandelli and Jessoula, 2022). The desire to tackle ecological and social challenges together was also evident in the adoption of instruments such as the Just Transition Mechanism (JTM) and the Just Transition Fund (JTF). This same logic also underpinned the Recovery and Resilience Facility (RRF), the most prominent initiative adopted under the Next Generation EU (NGEU) programme in 2021 to respond to the economic downturn caused by the COVID-19 pandemic (Sabato, Mandelli and Vanhercke, 2021). Endowed with €360bn in loans and €312.5bn in grants to be distributed among member states, the RRF was designed to fund so-called 'structural reforms' and investments detailed in National Recovery and Resilience Plans (NRRPs) prepared by governments under the supervision of the European Commission (EC). The governance of the RRF sits within the European Semester framework put in place during the Eurozone crisis, with member states required to comply with EU country-specific recommendations (CSRs) or explain why they have not done so (Erne *et al.*, 2024, p. 314). However, the size of environmental and social footprint differs across EU countries (Cotta *et al.*, 2025), implying unevenness in the EU's influence on national policy choices.

In this context, this paper sets out to examine *the extent to which* and *how* recent EU-level initiatives have shaped national policies around the environmental sustainability of welfare states, focusing in particular on the policies included in NRRPs. The analysis contributes to an emergent research strand of 'eco-social' policy, which highlights how targeting ecological and social goals requires not only decarbonisation, but also a rethinking of how welfare and social protection systems support societies in transition (Clapp and Dauvergne, 2005; Cook, Smith and Utting, 2012; Gough, 2016, 2022; Mandelli, 2022, 2023; Bohnenberger, 2023; Laruffa, 2025; Schulze Waltrup, 2025a, 2025b). According to Mandelli (2022, p. 340, emphasis in the original), eco-social policies are 'public policies *explicitly* pursuing both environmental and social policy goals in an *integrated way*' based on their declared objectives.

The eco-social literature also highlights how these policies do not emerge in a vacuum. In designing, advancing, and implementing public policies, political and social actors are confronted by an 'eco-social-growth trilemma', i.e. the impossibility to simultaneously satisfy ecological, social and growth imperatives, which imposes choices over which goals to target and/or prioritise (Sabato and Mandelli, 2018; Sabato, Mandelli and Vanhercke, 2021). As rightly argued by Laruffa (2025, p. 270), this trilemma 'is not inscribed in the laws of nature' but emerges in capitalist societies, insofar as capitalist systems depend on economic growth for their reproduction and are premised on the artificial separation between the spheres of economy, society and nature. Therefore, accounting for the existence of an eco-social-growth trilemma represents a key point of departure to understand the structural pressures and trade-offs confronting political, economic, and social actors in *capitalist* societies such as the European ones.

Alongside this conceptual literature, empirical research has begun to address how eco-social agendas are being shaped and institutionalised on a supranational scale. Studies have highlighted the growing coupling of environmental and social policies at the EU level through the EGD and associated initiatives (Sabato, Mandelli and Jessoula, 2022; Cotta, 2025). Many have also highlighted how the EU's eco-social approach – based on the assumption that GDP growth can be decoupled from resource use and carbon emission – continues to subordinate social and environmental goals to the growth and competitiveness imperatives (Sabato and Mandelli, 2018; Laurent, 2021; Sabato, Mandelli and Vanhercke, 2021; Haas, Syrovatka and Jürgen, 2022; Cigna *et al.*, 2023; Crespy and Munta, 2023; Laruffa and Nullmeier, 2025).

However, the issue of the influence of EU initiatives on national policy choices around the environmental sustainability of welfare states remains relatively underexplored. Studies of national eco-social agendas highlight the discursive 'usages of Europe' by domestic actors (Zimmermann, Mandelli and Gerstenberg, 2024) or varieties of policy responses in different contexts (Im *et al.*, 2025) but do not investigate how EU institutional mechanisms and governance are able to influence national policy orientations. More efforts in this direction are made by work focusing on the NRRPs drafted across the EU under the RRF. This research finds that eco-social measures are relatively limited within these plans and that the social protection component is generally very modest (Sabato and Theodoropoulou, 2023; Cotta *et al.*, 2025). This is mainly attributed to the growth- and productivist-oriented logic of EU-level frameworks and initiatives, combined with the specific rules and conditionalities embedded in the RRF (Theodoropoulou, Sabato and Akgüç, 2025). However, while this research offers valuable insights into the eco-social orientation of NRRPs and the channels of EU influence, the analysis of national–supranational *interactions* remains relatively underdeveloped.

Hence, this paper takes this latter strand of work as a point of departure to examine more closely the interactions between supranational pressures and national developments in the area of eco-social policy. In particular, we focus on the mechanisms through which EU frameworks and funding arrangements may shape national policy orientations, for instance by enabling, steering, or constraining national policy choices. The analysis covers the period from the launch of the EGD in 2019 until the end of the first Von der Leyen Commission in 2024, considering the eco-social policy trajectory of two EU member states: Germany and Italy. These countries are similar in both size and relative importance of the manufacturing sector (likely the sector most exposed to the green transition) but differ markedly in RRF funding and available fiscal space (see Section 5). The study therefore centres on the RRF and the process of adoption and implementation of NRRPs in the framework of the European Semester.

It is important to note here that the paper focuses specifically on this aspect, without addressing the broader – yet equally important – question of how EU policy priorities, strategies, or frameworks are themselves developed and formulated, thereby allowing for a more detailed analysis of the effects of supranational pressures within national contexts. Moreover, we also give particular attention to the eco-social perspectives of national social partners, not only because of their institutional role and influence, but also because capital (employers' organisations) and labour (workers' representatives) are the social forces most directly exposed to transition processes and their distributional implications.

The main argument of this paper is that EU-level initiatives since 2019, notably the EGD and the RRF, have influenced national eco-social policies in Italy and Germany, but in ways that are conditional on national eco-social policy legacies, agendas and strategies, as well as on the scale of EU financial support. EU influence primarily operates by (further) skewing the national terrain of struggle and compromise between social and political forces over eco-social priorities. EU governance thus facilitates the advancement and adoption of eco-social policy strategies that are aligned with the orientation already crystallised at EU level – here, an agenda centred on fostering 'green growth' with an ancillary role for social policies – while marginalising others.

Within the RRF framework, this steering effect was more pronounced in Italy, where the larger NRRP and a less developed eco-social policy landscape created greater scope for EU oversight to affect policy change. In this case, supranational pressures facilitated an eco-social configuration of the NRRP closer to priorities advanced, among others, by employers, while narrowing the space available to strategies oriented towards stronger social protection. In Germany, where eco-social policies were more entrenched and EU funding was more limited, EU influence was weaker in material terms and operated mainly through discursive and agenda-setting effects. Overall, EU initiatives tend to channel national eco-social policies in particular directions, but final outcomes reflect the interplay of supranational pressures, national policy legacies, and socio-political conflicts and compromises, rather than top-down policy diffusion.

This paper is structured as follows. *Section 2* presents the conceptual foundations, critically engaging with the Europeanisation and recent EU (eco-)social policy literatures, and highlighting the need to account for national agency alongside the steering capacity of EU institutions. Insights from international political economy complement this perspective, allowing for a more holistic analysis of institutional and societal dynamics. The section also introduces the analytical tools used to examine the EU's eco-social influence, combining a typology of eco-social policy paradigms (Schulze Waltrup, 2025a) with a categorisation of welfare state functions (Sabato, Mandelli and Vanhercke, 2021). *Section 3* outlines the study's methodology, while *Section 4* examines the EU's eco-social agenda, showing how the EGD and related initiatives marked a shift compared to earlier strategies while maintaining an emphasis on economic growth and competitiveness. *Section 5* presents the German and Italian case studies, analysing CSRs and NRRPs and EU influence alongside national agendas advanced by social partners. *Section 6* compares the cases, discusses key findings, and concludes by outlining limitations and avenues for future research.

2. Conceptual and analytical framework

2.1 Understanding EU's influence beyond Europeanisation

Understanding EU influence on the evolution of sustainable welfare states requires conceptualising how supranational pressures interact with national policy developments. This is because EU influence rarely operates directly or uniformly, but it unfolds through institutional, political, and ideational channels that mediate how initiatives are negotiated and reshaped at the national level. Without a clear conceptual lens, one risks conflating coinciding developments with causal influence or overlooking how national actors selectively adapt, resist, or reinterpret pressures. This is especially relevant for welfare and social policy, where primary responsibility for policy design and implementation remains with member states.

Among the perspectives on interactions between supranational and national dynamics, Europeanisation approaches represent an obvious starting point, as they have long explored the mechanisms through which EU institutions, norms and policy frameworks shape national policymaking. As stated by Radaelli (2003, p. 30):

> Europeanisation consists of processes of a) construction, b) diffusion and c) institutionalisation of formal and informal rules, procedures, policy paradigms, styles, 'ways of doing things' and shared beliefs and norms which are first defined and consolidated in the EU policy process and then incorporated in the logic of domestic (national and subnational) discourse, political structures and public policies.

Far from being a monolith, the Europeanisation literature presents multiple strands each emphasising different modes of EU influence on national decision- and policymaking (Graziano and Vink, 2008; Grünhut, 2017). Among the most influential is the one centred on the concept of 'goodness of fit', where policy or institutional 'misfits' between the EU and member states create adaptational pressures, which, in turn, trigger domestic change (Risse, Cowles and Caporaso, 2001; Börzel, 2003; Börzel and Risse, 2003; Caporaso, 2008). However, Europeanisation is not viewed as a homogenising force, as its impact depends on 'mediating factors' or 'intervening variables', such as political norms, identity-formation processes, veto points, or resources available to domestic actors (Börzel and Risse, 2003). Applied to eco-social policy, this would entail assessing the alignment or conflict between EU-level initiatives and national welfare and environmental arrangements, and the pressures for adjustment that any misfit may generate.

This standard Europeanisation approach sheds light on the common supranational pressures for policy adaptation and the interactions between EU initiatives and national policymaking processes. However, as noted by Exadaktylos and Radaelli (2015, pp. 211–212), the ‘goodness of fit’ model has four important limitations. First, it ‘reduces Europeanisation to a problem of downloading instructions from Brussels’ even when EU policy frameworks provide only broad orientations. Second, it downplays ‘the diversity of EU modes of governance’, assuming a hierarchical governance in all instances and policy areas. Third, it overlooks how domestic actors can ‘re-appropriate and re-define European commitments’. Finally, and most importantly, it ‘tends to pre-judge the Europeanisation effects’, attributing all instances of change to EU adaptational pressures.

In response, bottom-up approaches start from the national context, identifying instances of change and tracing whether and how EU involvement generated or shaped them. They refer to ‘how constellations of domestic actors encounter the EU – as opportunity, constraint or resource’ (Exadaktylos and Radaelli, 2015, p. 212). Bottom-up approaches represent a step forward in terms of analytical nuance and precision, as they highlight national agency, contestation, and selective mobilisation of EU initiatives. In the field of eco-social policy, this would mean examining concrete episodes of policy adoption (including the drafting of NRRPs) at national level to determine whether supranational pressures played a decisive role in the adoption of specific eco-social measures.

Nonetheless, these approaches also have drawbacks. First, they may underplay how supranational pressures *pre-structure* the policy space, for example through funding rules or threats of sanctions embedded in the RRF or the European Semester. Such effects can shape national actors’ agendas even if policy measures are mainly pursued for domestic reasons, as well as restricting the viability of alternative policy strategies. Second, they share a key limitation with the wider Europeanisation literature (including top-down approaches). Being grounded in (neo-)institutionalist theories (Bulmer, 2008), their empirical focus tends to be set on interactions between supranational and national *institutions* and *policymakers*. This perspective often downplays – or, at times, even disregards – wider societal dynamics, including the structurally uneven power relations between social groups and how these shape policy choices and policy change (Seikel, 2023). EU initiatives do not merely interact with domestic institutions but actively influence the domestic terrain of struggle between social groups over policy adoption and implementation. Thus, analyses focusing predominantly on institutional interactions may misrepresent the mechanisms through which EU frameworks influence national policy outcomes.

While still grounded in institutionalist perspectives, recent social policy studies focusing on the impact of the RRF on national welfare states adopt a more dynamic view of EU governance and national agency. Indeed, while highlighting a shift towards a 'harder mode of soft governance' under the European Semester (after 2010) and the RRF (after 2020) (Vanhercke and Verdun, 2022) and a strengthening of the EC's 'steering capacity' (Bokhorst and Corti, 2024), they also view national governments as empowered in domestic struggles over reforms – centralising decision-making within national executives and undermining democratic mechanisms in the process (Bokhorst and Corti, 2024). In this respect, the RRF governance has been described as a form of 'coordinative' Europeanisation (Corti and Vesan, 2023, p. 524) relying on grants and loans (the 'carrots') rather than the threat of sanctions (the 'sticks') to enable welfare state recalibration towards the social investment paradigm in fiscally constrained countries (Guillén, León and Pavolini, 2022; see also Corti and Vesan, 2023). More emphasis on the strengthening of the authoritative power (and even the intrusiveness) of EU institutions (especially the EC) is given by Miró, Natili and Schelkle (2024), who nonetheless note that national authorities have also gained influence over policy content. The authors square this seemingly 'counter-intuitive combination' by arguing that *governance* and *policy content* are 'separable issues': the EU (and the EC) leads in *governance* functions (agenda setting and monitoring), while national governments retain room on *policy substance* (problem definition and tailoring to country-specific conditions) (pp. 1617-1618).

The EU social policy literature thus sheds light on a hardening of supranational governance, with the RRF's 'carrots' introducing a new form of conditionality and even generating second-order effects on power centralisation at national level. However, it stops short of fully exploring how these evolving governance mechanisms shape the substance and direction of national welfare reforms. As with bottom-up Europeanisation approaches, it tends to downplay the role of supranational governance in drawing policy boundaries and favouring – or constraining – policy choices. For instance, Miró, Natili & Schelkle (2024) acknowledge that the apparent division of labour between EU authoritative governance and national policy freedom worked largely due to broad consensus around social investment priorities – meaning there was little mismatch between national and supranational agendas. When mismatches did arise, the authors show how the EC intervened directly to block measures not aligned with its priorities[1]. This raises the question of whether governance and policy content can truly be considered separable in practice.

In short, the bottom-up Europeanisation literature underscores the importance of national agency and policy 'authorship' and cautions against assuming that instance of policy change are

[1] Examples include the EC's involvement in internal debates in the Spanish governing coalition over the 2021 labour reform and its preliminary assessment of the first draft of the Italian NRRP.

necessarily dictated by supranational pressure. Meanwhile, recent work on EU social policy and the RRF rightly emphasises the further hardening of EU soft law (see also Bruff, 2017) and the strengthening of the EU's steering capacity. However, their institutionalist outlook limits their ability to fully capture the ways in which EU initiatives both pre-structure policy space and interact with national struggles over redistribution, labour protections, and the social costs of the green transition. How, then, can these dynamics be captured? To move beyond these limitations, this paper complements the insights from the bottom-up Europeanisation and EU social policy literatures with theoretical intuitions and analytical moves from the (international) political economy literature. The aim is to build a conceptual framework that integrates institutional interactions with societal dynamics, allowing sufficient space to account for national agency without downplaying the influence of supranational pressures.

To start, EU and national institutions should not be seen as neutral entities, but as representing outcomes of past political and social struggles and compromises (Amable and Palombarini, 2023), with these legacies continuing to influence present political and social struggles over institutional or policy change. Past compromises and arrangements create structured constraints, shape actors' expectations, and frame the possibilities for policy change. They do not dictate outcomes but create boundaries and shape the incentives for social and political actors to pursue particular strategies. Within this perspective, institutions can be conceived simultaneously as terrains of socio-political struggle and as 'mechanism[s] for ordering and structuring policy-processes against the background of essentially competing and contradictory social interests' (Brand *et al.*, 2022, p. 292). This dual character implies that while institutions provide procedural stability and governance mechanisms, they are also embedded with 'strategic selectivities' (Jessop, 1990; Sandbeck and Schneider, 2014) that advantage some policy strategies (and interests) over others.

In the EU context, frameworks such as the European Semester and initiatives such as the EGD or the RRF can thus be viewed as shaping the terrain of struggle on the national scale, as they embed incentives, reporting requirements, and normative assumptions that influence contests over eco-social policies. In particular, EU frameworks and instruments skew national policy debates and processes in ways that favour socio-political projects and agendas aligned with priorities prevailing at EU level. This does not, however, entail determinism: different paths remain possible across member states, even though supranational pressure can tilt the power balance in favour of certain policy strategies and constellations of political and social actors, while narrowing the space for advancing alternative strategies (Monaco, 2024). In short, while EU-level initiatives produce certain pressures, the resulting policy outcomes remain contingent on national struggles, conflicts and compromises, and on institutional legacies – thereby producing both convergences and variations in eco-social policy trajectories. A clear example of how the supranational pressures for reform pre-structures national policy space is the RRF Regulation itself, which explicitly excludes the use of funds for recurring welfare expenditure (Erne *et al.*, 2024, p. 318) – which is likely to narrow the room for manoeuvre for strategies with a stronger social protection orientation (Theodoropoulou, Sabato and Akgüç, 2025).

This perspective allows us to retain the analytical advantages of the Europeanisation and EU social policy literatures – most notably the focus on common EU adaptational pressures, their interactions with domestic conflicts, and the emphasis on national agency – while addressing their limitations, namely the insufficient attention devoted to constraints on policy *content* and to societal struggles over policy strategies. The next sub-section further moves from the abstract to the concrete by presenting the analytical tools we can rely upon to explore empirically the impact of the EU's eco-social policy orientation on national welfare states.

2.2 Eco-social policy paradigms and welfare state functions

In this paper, eco-social policies are defined as those policies which explicitly pursue both ecological and social goals 'in an integrated way' (Mandelli, 2022, p. 340). Nonetheless, within this broad definition, eco-social policies differ markedly in their orientation, ambition and transformative potential, reflecting divergent assumptions about economic growth, state intervention, and societal priorities. Before turning to the empirical analysis, it is therefore necessary to develop an analytical framework to discern these variations and how they have crystallised at EU level, in order to assess the influence of the EU's eco-social orientation on changes in national policy change. To this end, we combine two complementary analytical tools: Schulze Waltrup's (2025a) typology of eco-social policy perspectives and the categorisation of welfare state functions developed by Sabato, Mandelli and Vanhercke (2021), Sabato and Theodoropoulou (2023) and Sabato and Mandelli (2024).

Schulze Waltrup (2025a) distinguishes three (or four) paradigms of eco-social policy that address the eco-social–growth trilemma and reconcile tensions between environmental and social goals in different ways. The first is *Green Growth*, which rests on the assumptions that economic growth (as measured by GDP) is essential for addressing both environmental and social challenges, and that such growth can be effectively decoupled from environmental degradation and resource use. Within this perspective, market failures can generate negative environmental externalities, which can be addressed through 'collective interventions' or public policies. The Green Growth paradigm is further divided into two sub-paradigms: Green Economy and Green Keynesianism. *Green Economy* relies primarily on market-based instruments with minimal public steering, aiming to reconcile economic growth with environmental protection while assuming that social objectives will largely follow from eco-friendly economic expansion. *Green Keynesianism*, by contrast, emphasises active state intervention, directing public investment toward low-carbon sectors and promoting a socially just transition through both economic stimulus and social protection targeted to the more disadvantaged groups.

A second main perspective is *Recomposing Consumption and Production*, which focuses on the redistribution of consumption capacity and the transformation of production and consumption patterns, while still relying on government intervention to guide markets and infrastructure (e.g. via public procurement). This perspective is agnostic regarding the role played by economic growth, and can be therefore seen as either moving closer to Green Keynesianism or as a stepping stone towards Degrowth. Finally, *Degrowth* explicitly rejects GDP growth as a guiding principle, prioritising instead decommodification, communal forms of possession, strong redistributive measures, and universal forms of social protection and care provisioning as central elements of socio-ecological transformation. Importantly, all these eco-social paradigms vary in their transformative potential, with Green Economy representing the most modest and Degrowth the most far-reaching.

Although this typology allows us to discern differences in eco-social ambition, growth orientation, and state role, it tells less about how these paradigms translate into concrete policy measures. To capture this, we therefore complement it with a categorisation of the welfare functions of specific eco-social policies developed by Sabato and colleagues (Sabato, Mandelli and Vanhercke, 2021; Sabato and Theodoropoulou, 2023; Sabato and Mandelli, 2024). The first function is *benchmarking*, which includes measures that set or embed social standards within policies or investments advancing the green transition (for instance, by addressing regressive distributional effects or protecting vulnerable households). The second is *enabling*, which involves social and labour market measures facilitating the advancement of the green transition, for instance active labour market policies (ALMPs) and training programmes for the green transition, broader social investment measures, and welfare policies designed to mitigate their own ecological impact (e.g. providing energy-efficient social housing). Lastly, the *buffering* function is typical of social protection measures aimed to address or mitigate social risks generated by transition processes (e.g. income support schemes, early retirement for workers facing transitions)[2].

Crossing the welfare state categorisation with the eco-social paradigms, it should be noted that the three functions considered here are not mutually exclusive across the eco-social paradigms identified by Schulze Waltrup; each paradigm is likely to encompass (and require) all of them to some extent. At the same time, each eco-social paradigm implies a distinctive perspective of the state's role in socio-ecological transitions, which in turn shapes how the welfare state and public policies are expected to operate. Therefore, while avoiding a strict one-to-one mapping, the two frameworks can nonetheless be combined as a heuristic tool to analyse how eco-social orientations (and their differing views on the eco-social-growth trilemma and the role of the state) shape the mix of eco-social policy measures – and, vice-versa, how different mixes of eco-social measures are aligned with or supportive of different eco-social paradigms (Table 1).

First, paradigms inherently differ quantitatively in the number and scope of eco-social policies required, reflecting their transformation potential. Put simply, one can reasonably expect that the closer a paradigm moves towards Degrowth – the most transformative one – the more eco-social measures are needed to realise its ambition and transform the current socio-economic system. Nevertheless, they also differ qualitatively in the welfare functions emphasised within their respective eco-social policy mixes. Under *Green Economy*, minimal state steering and market-based mechanisms mean the welfare state primarily acts as a market-correcting and market-enabling device: benchmarking is thus limited to compensatory standards, enabling focuses on green skills and labour transitions, and buffering is very narrow and targeted to specific industrial transitions. In *Green Keynesianism*, the benchmarking function is more developed, with more attention to distributive impacts, while enabling assumes a central role through ALMPs, training, mobility, and social investment (Schulze Waltrup, 2025a, p. 29). Buffering also becomes more visible, yet still secondary and aimed at protecting vulnerable groups during sectoral transitions.

Recomposing Consumption and Production is more flexible, as it is comparatively more 'elastic' and can lean closer either to Green Keynesianism or to Degrowth, depending on the emphasis on economic growth. For this reason, it produces a more balanced eco-social policy

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[2] Although the authors also include a fourth function (*consensus-building* or *conflict management* function), this was excluded from the analysis for two reasons. First, this can be considered as a cross-cutting function, since all welfare state provisions (and eco-social policies) can be considered as always, at least potentially, consensus-building or conflict-managing. Second, while in the original formulation social dialogue or civil society involvement are treated as consensus-building, these aspects tell us more about how a measure is designed than about its substantive content.

mix: strong benchmarking (e.g., consumption corridors, fair standards via public procurement), enabling beyond labour-market activation and towards low-ecological impact infrastructure and social services, and buffering to protect households and redistribute consumption capacity. Finally, *Degrowth* can be expected to maximise all three functions: benchmarking sets limits on consumption, resource use, and social minima; enabling supports non-marketised forms of welfare provision, universal basic services, and solidarity initiatives; and buffering becomes foundational, including forms of universal basic income (UBI), working time reduction (WTR) schemes, and redistributive transfers.

Table 1: Eco-social policy paradigms and welfare state functions

			Welfare state functions		
			Benchmarking	Enabling	Buffering
Eco-social policy paradigms	Green Growth	Green Economy	Present, but focused on compensatory standards	Narrowly focused on reskilling	Used sparingly to cushion transitions
		Green Keynesianism	Important, including for distributional impacts	Central (ALMPs, upskilling, social investment)	Present, yet still secondary
	Recomposing Consumption and Production		Very important to reconfigure consumption and production patterns	Important, emphasis on access to infrastructure and social services	Important, including for redistribution purposes
	Degrowth		Central for resource use, consumption, social minima	Important and focused on universal access to basic services	Foundational (UBI schemes, WTR, redistributive transfers)

Source: own elaboration, based on Schulze-Waltrup (2025a), Sabato, Mandelli and Vanhercke (2021), Sabato and Theodoropoulou (2023) and Sabato and Mandelli (2024)

Combining the two frameworks allows us to identify not only whether eco-social policies are present, but also which welfare functions are foregrounded or marginalised within a given paradigm, and with which implications for social rights, redistribution, and protection. This analytical crossing is particularly useful for the empirical analysis of the influence of EU-level eco-social policy orientations on national eco-social policies, as it enables us to trace and assess how supranational priorities can be expected to shape the mix between benchmarking, enabling, and buffering functions in national eco-social policy, without for this assuming a linear or deterministic relationship between EU pressures and national developments. The next section further moves closer to the empirical analysis by outlining the methodology followed in this study.

3. Methodology

To move from the conceptual and analytical framework to the empirical analysis, we examine three interlinked dimensions in as many analytical steps: 1) the *content of the EU-wide initiatives* related to eco-social policy and sustainable welfare states; 2) *EU governance involvement in national policymaking*; and 3) the *content of national eco-social policies* and of *eco-social policy agendas and strategies* advanced on the national scale. We will restrict the focus on policy developments in the framework of the RRF and the Semester for the period under investigation (2019-2024). As for the first step, assessing the content of EU initiatives allows us to identify the main strategy and the prioritisation of objectives at EU level to tackle environmental and social challenges in an integrated manner. This is an important step to examine which policy strategy is more likely to be favoured by supranational pressures in domestic struggles, and involves a review of the already substantial secondary literature on the content of EU initiatives such as the EGD and NGEU.

The second and third steps focus more explicitly on EU governance involvement and interactions with national developments through a comparative investigation of two country cases: Germany and Italy. These are two of the largest countries in the EU and the Eurozone and, due to the size of their manufacturing sectors, they are both significantly exposed to green transition pressures, with large carbon-intensive industries facing structural transformation and a loss of competitiveness. Further, both, especially Germany, were significantly affected by the overlapping Covid-19, energy shock, and inflation crises of 2020-2024. They also have similar structural exposure to EU governance, in that they are both members of the Eurozone, operating under the same formal rules and similar EU influence. Yet, they usefully differ in the amount of RRF funding they received and in their fiscal position, making them differently susceptible to supranational pressures for reform. Italy, a fiscally constrained country, received the highest RRF envelope (€191.5 billion in grants and loans), while Germany, a country with relatively more fiscal space, received comparatively smaller funding (€30.3 billion, only in grants).

The case study comparison involves a content analysis of the Italian and German CSRs issued in 2019-24 in the context of the Semester – with a particular focus on those issued in 2019-20, which were the ones national authorities were required to address in preparing the NRRPs in 2021. This will be coupled with a content analysis of the Italian and German NRRPs. In both cases, we first select and isolate policy recommendations (in the CSRs) and measures (in the NRRPs) with an eco-social significance, i.e. those policies that aim to address environmental and social issues in an integrated manner. We then classify them relying on the conceptualisation of the welfare state functions described in the previous section (benchmarking, enabling, and buffering). This has already been applied by Theodoropoulou, Sabato and Akgüç (2025) to analyse NRRPs in Southern European countries (including Italy), though our categorisation slightly differs from the original in two respects. First, we do *not* include the consensus-building or conflict management function (see above) and, second, we select among the eco-social measures not only those for which environmental and social policy goals are explicitly mentioned – as the original authors do – but also those for which the link as stated in the documents is *only implicit*. In this case, we consider the semantic context in which the references occur to understand whether the two goals appear together. This approach avoids imposing our definitions and concepts on officials and policymakers, who are unlikely to exactly frame measures according to our conceptualisation in the documents under considerations. Consequently, our selection and coding of measures is slightly broader and more generous than in previous work.

The investigation of national eco-social trajectories is complemented by a review of the secondary literature and the analysis of semi-structured interviews conducted between November 2025 and January 2026 with representatives of trade unions, employer organisations, national administrations, and relevant EC services, alongside eco-social policy experts. In total, 17 interviews were conducted (10 for Italy and 7 for Germany), with a number of interviews involving more than one participant from the same organisation, bringing the total number of interviewees to 25 across the two cases (see Appendix). These interviews provide insights into the eco-social priorities and policy agendas pursued in Italy and Germany, the degree of alignment or divergence with supranational objectives and national plans, and the interactions between EU pressures and domestic policy developments. Comparing the two cases then allows us to trace how supranational pressures intersect with national institutional contexts and socio-political dynamics to shape both the adoption and the content of eco-social policies.

4. The EU eco-social agenda: from the EGD to the RRF

The EU has over time articulated an approach linking environmental sustainability with socio-economic objectives, leading to the emergence of a distinctive 'European eco-social model', which nonetheless remains shaped by the longstanding priorities of economic growth and competitiveness (Laruffa and Nullmeier, 2025). The first clear articulation of the EU eco-social agenda is represented by the Europe 2020 Strategy adopted in 2010, which foregrounded 'three mutually reinforcing priorities', i.e. an economic growth that is 'smart' (based on knowledge and technological innovation), 'sustainable' (resource-efficient and green), and 'inclusive' (supporting high employment, and social and territorial cohesion) (European Commission, 2010, p. 3). Europe 2020 was thus primarily a *growth* strategy where even the 'green' elements were ultimately framed as competitive advantages in the global economy (Sabato, Mandelli and Jessoula, 2022; Laruffa and Nullmeier, 2025). As noted by Sabato, Mandelli and Jessoula (2022), Europe 2020 was progressively flanked by a Social Investment Package (2013) and by the European Pillar of Social Rights (EPSR) (2017), which, while heightening the importance of the social domain, hardly treated ecological and social concerns in an integrated manner. Moreover, the siloing of ecological and social objectives and the prioritisation of macroeconomic and fiscal policies over climate policies are also found to have characterised the various European Semester cycles from 2011 to 2019 (see also Sabato and Mandelli, 2018).

Against this backdrop, the EGD – drafted at the end of 2019 and adopted in 2020 – was considered as potentially representing 'a quantum leap' in EU climate policy (Sabato, Mandelli and Jessoula, 2022, p. 213). This has been interpreted as part of the EC's and President von der Leyen's quest for institutional and socio-political legitimation amid heightened societal mobilisation around climate and social issues (Graziano, 2024). The strategy responded both to priorities articulated by member states in the European Council[3] and to growing demands from centre-left groups in the European Parliament to place a socially just green transition high on the agenda (Munta, 2020), in a context marked by the politicisation of climate change and the strong showing of Green parties in the 2019 European elections (Pearson and Rüdig, 2020). The EGD thus explicitly aimed to '*reset* the Commission's commitment to tackling climate and environmental-related challenges' (European Commission, 2019, p. 2, emphasis added), calling for a 'just and inclusive' transition attentive 'to the regions, industries and workers who will face the greatest challenges' (p. 2).

Over subsequent years, the EGD was flanked by a number of initiatives aimed to achieve these strategic objectives. The 'Fit for 55' legislative package was designed in 2021 to achieve climate neutrality by 2050 and a 55% reduction of net greenhouse gas emissions, for instance through a revision of the Emission Trading System (ETS), the introduction of a carbon tariff on imports (Carbon Border Adjustment Mechanism, CBAM), and the creation of a Social Climate Fund (SCF) to compensate vulnerable households and micro businesses for the potential costs of the green transition in buildings and transport (European Parliament, 2025). The Green Deal Industrial Plan for the Net-Zero Age, adopted in 2023, is an industrial policy framework focusing

[3] The European Council's 'New strategic agenda 2019-2024' adopted in June 2019 called for both 'Developing [Europe's] economic base' and 'Building a climate-neutral, green, fair and social Europe' as fundamental priorities that should guide the EU institutions' action in the 2019-24 period (European Council, 2019).

on regulatory simplification, access to funding, skills, and supply chain resilience. It was later supplemented by the Net-Zero Industry Act, aimed at achieving carbon neutrality in the industrial sector, and the Critical Raw Materials Act, intended to secure the sustainable supply and management of raw materials (Grossi and Rayner, 2024). Finally the JTM and JTF were created in order to mobilise financial resources to address the socio-economic effects of the green transition in Europe's most affected territories (European Union, 2024).

However, despite advancements in the eco-social dimension, the EGD was still presented as a 'new *growth* strategy' aiming to make GDP growth compatible with environmental protection by decoupling it from resource use (p. 2, emphasis added). In this context, economic and socio-ecological objectives were reconciled through the logic of 'economisation': first, by quantifying ecological and social problems as *economic costs* to be addressed through market-based approaches (e.g. the ETS or adjustments to 'price signals' via green taxation); second, by framing the green transition as a *driver of job creation* and redefining social policies as *investments in human capital* aimed at enabling people to work (e.g. via reskilling and activation policies); and third, by treating ecological goals as *business and investment opportunities* generating economic returns (Laruffa and Nullmeier, 2025, pp. 164–165). Additionally, the EGD embedded an 'ecological modernisation' logic, whereby technological innovations such as clean hydrogen and carbon dioxide removals – rather than far-reaching socio-economic change – are seen as the primary engine for 'greening' the EU and achieving climate neutrality by 2050 (Haas, Syrovatka and Jürgen, 2022; see also Machin, 2019).

Following Schulze Waltrup's (2025a) typology (see section 2.2), the EGD can be understood as being inscribed within the Green Growth paradigm. This assumes that economic growth is essential to addressing environmental and social crises, on the grounds that growth and environmental objectives can be aligned and that social policy can continue to rely on sustained GDP expansion. Within this perspective, the EGD strikes a balance between Green Economy and Green Keynesianism approaches, but leans more strongly towards the former. As such, and consistent with the comparatively low transformative potential of Green Growth, the EGD does not fundamentally challenge prevailing policy frameworks or dominant modes of production, consumption, and exchange. As Haas, Syrovatka and Jürgen (2022, p. 258) note, the EGD 'does not pursue a social-transformative agenda like that of the historic New Deal in the USA [in the 1930s]', but is instead 'about reconciling economy and ecology, about continuing the growth path under green auspices'. While incorporating some Green Keynesian elements – such as support for vulnerable households and disadvantaged regions and sectors, notably through the JTM – the

EGD largely delegates the social consequences of ecological transformation to (greener) economic growth.

Keeping to our analytical framework, the logics of economisation and ecological modernisation – together with adherence to a Green Growth perspective balancing Green Economy with Green Keynesianism – translated into an emphasis on benchmarking and enabling eco-social measures in the EGD, with buffering instruments playing only a marginal role. The EGD Communication, for example, highlights actions such as improving building energy efficiency to address energy poverty (benchmarking) (European Commission, 2019, p. 6) and workers' training and reskilling for the ecological transition (enabling) (p. 19). The same rationale underpins the JTM – and its main instrument, the JTF – the EGD's main compensatory tool to support workers and regions in the decarbonisation effort (Alcidi *et al.*, 2022). The JTF predominantly relies on enabling measures such as training and reskilling, while '[t]he buffering function is [...] suspiciously missing [...] given the absence of stronger social protection measures' and of 'a social rights-based perspective' (Crespy and Munta, 2023, p. 245). Moreover, its narrow territorial and sectoral scope and modest financial resources further limit its capacity to address social inclusion alongside the green transition (Laurent, 2021; Crespy and Munta, 2023) – a concern also raised by some interviewees (EXP_IT#2, TU_IT#2, TU_IT#3).

Building on the EGD's policy orientation, the NGEU was adopted at the end of 2020, with the RRF representing the main recovery instrument to support EU economies during and after the COVID-19 pandemic. The RRF operationalised the EU's eco-social ambitions by pairing large-scale conditional loans and grants to member states with a governance architecture embedded in the European Semester. Under the RRF, national governments were required to submit NRRPs detailing the measures and investments to be financed, which were then assessed by the EC against targets and milestones. Despite its limitations in terms of size and design, the initiative was considered innovative in the post-2010 EU context: the issuance of EU joint debt, combined with the temporary suspension of the Stability and Growth Pact (SGP), allowed for an expansionary response to the COVID-19 crisis, in stark contrast to the austerity-driven, disciplinary approach adopted during the Eurozone crisis a decade earlier (Celi, Guarascio and Simonazzi, 2020; Armingeon *et al.*, 2022).

This shift reflected a legitimation crisis in European economic governance, evident in political upheavals across several member states and creating pressure for a change of direction (Ryner, 2023). In particular, the initiative emerged from a Franco-German proposal in mid-2020 for a European recovery fund and signalled a marked shift in Germany's long-standing opposition to debt mutualisation, especially during the Eurozone crisis (Bulmer, 2022). This change, also made under pressure from Southern member states (notably Italy and Spain), was grounded in concerns within the German power bloc (particularly among export-oriented manufacturing and internationally-oriented financial capital) about the risk of a Eurozone collapse (Schneider, 2023b). It also unfolded in a context of growing geopolitical rivalries and technological decoupling, which prompted a strategic reorientation among German capital towards greater support for investment, demand management, and industrial policy in Europe (Schneider, 2023a). These demands were echoed by French and Italian employers and by BusinessEurope, the largest EU-level employer association (Schneider, 2023b). At the same time, this shift was made politically possible by the temporary nature of NGEU, which limited its potential to reshape European economic governance (Bulmer, 2022).

In designing the reforms and investments to include in their NRRPs, member states were still bound to follow targets and recommendations set at supranational level. Among these, relevant to eco-social policy was the target of at least 37% of funding to be allocated to measures supporting the green transition (RRF Regulation, art. 18-4e) and the requirement that the Plans contribute to the implementation of the EPSR 'thereby enhancing the economic, social and territorial cohesion and convergence within the Union' (art. 18-4c). Despite this, no minimum target was set for social expenditure, and in fact the Regulation precludes the use of the funds for 'recurring' expenditure (art. 5-1).

These criteria confirm that the RRF aligns with the EGD's eco-social orientation, seeking to reconcile ecological and social objectives with economic growth, prioritising benchmarking and enabling functions while marginalising the welfare state's buffering role during the transition. As noted by Theodoropoulou, Sabato and Akgüç (2025), the 37% target for green transition measures and investments (the largest among the mandated areas) is conducive to strengthening the benchmarking function, focusing on ecological objectives while embedding social standards. Moreover, the prohibition on financing recurrent expenditures contributes to downsizing the buffering function, while the growth-oriented approach reinforces the enabling function, mainly in the form of training and upskilling. In this respect, as Erne et al. (2024, p. 318) note, this constraint – together with the absence of binding social spending targets – not only leads to downplay traditional social protection but also 'questions the "social" investment paradigm' purportedly informing EU social policy. Where social investment already prioritises labour market participation and productivity over social rights (Laruffa, 2022), the RRF narrows this focus even further to training and skills development, sidelining broader social and public services typically funded through recurring national expenditure.

In terms of governance, NRRPs were required to address ‘all or a significant subset of challenges’ included in 2019 and 2020 CSRs (art. 18-4b)[4], with the EC assessing compliance and approving plans only if they met minimum grading thresholds (art. 19-3) (Erne, et al., 2024, p. 314).. The 2021 CSRs (adopted under a modified Semester cycle) were limited to fiscal guidance, meaning that the substantive policy orientation relevant for the NRRPs derived primarily from the pre-pandemic Semester cycles. As a result, the design and management of the RRF were effectively absorbed into the Semester, with CSRs acting as the main conduit for EU-level pressure on national eco-social policy choices. As observed by Domorenok & Guardiancich (2022, pp. 192–196), the RRF architecture built on earlier experiences with conditionality under the European Structural and Investment Funds (ESIFs) and under the European Semester, especially in relation to the preventive and corrective arms of the SGP and the Macroeconomic Imbalance Procedure (MIP). At the same time, it also introduced two novelties: a strengthened EC role in *ex-ante* assessments via formal grading; and reinforced *ex-post* conditionality, making fund disbursement explicitly dependent on CSR compliance and limiting member states' discretion ‘to dismiss unwelcome recommendations’.

In this context, as the case study analysis below shows, it is difficult to maintain that the RRF ‘may leave member state administrations more room for manoeuvre as regards the *content* of policies’ (Miró, Natili and Schelkle, 2024, p. 1627, emphasis added). In practice, the RRF and its integration into the Semester require alignment with EU-level policy orientations, including the EGD's ecological and social objectives. This alignment is enforced through stringent assessment criteria, milestones, and performance indicators, effectively constraining national discretion. Any policy space that member states retain is largely *internal* to these supranational boundaries, with all deviations potentially sanctioned through the withholding of funding. Consequently, the RRF channels national policies towards particular configurations of eco-social intervention, emphasising benchmarking and enabling functions over buffering measures. This raises the question of how this supranational pressure interacts with existing national eco-social orientations: does it reinforce pre-existing strategies, or does it require substantial adaptation to conform with EU priorities? The next section addresses this question by analysing and comparing the Italian and German cases.

[4] The RRF Regulation does not specify which Semester cycles should be considered, even though a subsequent EC communication indicated 2019 and 2020 as the reference years (Erne *et al.*, 2024, p. 314)

5. NRRPs and eco-social policies in Germany and Italy

Italy and Germany form a useful pair to examine the supranational pressure exerted by the EU onto member states in the context of eco-social policy. Where Italy was by far the largest beneficiary of the instrument in absolute terms, having requested €191.5 billion in grants and loans, Germany's RRF envelope was far more modest, comprising approximately €30.3 billion (only in grants), or 0.9% of 2019 GDP.

Both NRRPs reflected pre-existing dynamics in each country: Italy received among the highest shares of EU financial assistance after the outbreak of the COVID-19 pandemic, notably through instruments such the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) and the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) (Ales, 2022). Germany, by contrast, opted against using other European financial assistance, including the SURE programme during the Covid-19 pandemic, instead financing their *Kurzarbeit* federally, perhaps reflecting a stronger national fiscal position and borrowing capacity.

The two NRRPs differed too in their political framing. In Italy, the RRF was widely framed as a window of opportunity to finally overcome long-standing structural weaknesses through reforms and investments incentivised by EU funding. Italy had frequently been portrayed as a 'reform laggard', particularly in the area of social investment (Miró, Natili and Schelkle, 2024, p. 1621), and as a problematic case with respect to spending capacity, implementation, and compliance under both the ESIFs and the European Semester (Domorenok and Guardiancich, 2022). Against this background, the RRF was expected to succeed where fiscal surveillance and CSRs alone had delivered limited results during the 2000s and 2010s. Perhaps owing to Germany's stronger position in the EU and a pre-existing policy landscape, the German NRRP was framed less as a 'window of opportunity' for structural reform *per se*. Instead, it was viewed more as a complementary instrument to support and boost ongoing national strategies, particularly in the decarbonisation, digitalisation, and modernisation axes.

5.1 Italy

CSRs

For Italy, the content of the CSRs reveals a relatively consistent and eco-socially limited pattern. In the 2019–2020 cycle, five eco-socially relevant references can be identified, of which only one took the form of an explicit recommendation. The recommendation called on Italy to direct public and private investment on the green and digital transitions, including areas such as sustainable public transport and water and waste management, suggesting a limited eco-social integration focused on benchmarking. References in the recitals followed a similar logic: three out of four again emphasised investment in sustainable transport and environmental infrastructure (in both 2019 and 2020), as well as green investment as a means to address regional disparities (2019). Enabling measures featured only marginally, though the 2020 CSR recitals noted that upskilling and reskilling were important to equip workers for, and promote, a fair transition.

Table 2: Content of CSRs to Italy (2019-24)

Year	In recitals (A) or recommend-dations (B)	Type of measure mentioned/recommended	Welfare state function	Explicit or implicit eco-social integration
2019	A	Removal of barriers to private investment in infrastructure (waste and water)	Benchmarking	IMP
	A	Investment and regional disparities	Benchmarking	EXP
2020	A	Education and upskilling/reskilling for transitions	Enabling	EXP
	A	Investment in public mobility and infrastructure	Benchmarking	EXP
	B	Public and private investment in climate adaptation, mobility, infrastructure, and energy efficiency	Benchmarking	EXP
2021 (adapted cycle)	***B***	*Fiscal policy to contain current expenditure and prioritise investment and social protection*	*Benchmarking Buffering*	*IMP*
2022	A	Public investment in transitions and energy poverty	Buffering	IMP
	A	Removal of barriers to private investment for transitions	Benchmarking	IMP
	A	Decarbonisation of public mobility and transport	Benchmarking	EXP
2023	A	Energy efficiency, green skills, sustainable mobility	Benchmarking Enabling	EXP
	A	Narrow targeting of incentives for renovations/energy efficiency; Incentives for energy savings and energy efficiency	Benchmarking	EXP
	A	Education and upskilling/reskilling for green transition	Enabling	EXP
	B	Narrow targeting of incentives for renovations/energy efficiency	Benchmarking	IMP
	B	Narrow targeting of incentives for renovations/energy efficiency	Benchmarking	IMP
	B	Upskilling/reskilling for green transition	Enabling	IMP
2024	A	Upskilling/reskilling for green transition	Enabling	IMP

Source: authors' elaboration on CSRs adopted by the Council (2019-24). Note: the complete table with document excerpts can be found in the Appendix.

This emphasis on benchmarking, complemented by limited enabling measures, persisted in the following years. The 2022 CSRs did not include any explicit recommendations integrating ecological and social concerns. instead it called for policies to direct investment towards the decarbonisation of public transport and to remove obstacles to private investment in the green transition, again framed in terms of territorial rebalancing. However, in the context of Russia's full-scale invasion of Ukraine and the ensuing energy crisis, the 2022 CSRs included, for the first time, references to buffering measures. These were not explicitly framed as eco-social, as they primarily targeted the mitigation of energy poverty resulting from the sharp increase in fossil fuel–based energy prices.

It is in the 2023 CSRs that the EU's eco-social orientation became more explicit. Several passages – both in the recitals and in the formal recommendations – referred to policies explicitly or implicitly combining ecological and social objectives. Nonetheless, the underlying orientation remained largely unchanged, emphasising benchmarking measures and restricting the focus of new, enabling measures narrowly on green skills, upskilling, and reskilling. Further, with the SGP general escape clause set to expire, the EC explicitly called for the 'winding down' of buffering measures introduced in response to the energy crisis, signalling a further return in orientation to policies with a benchmarking welfare function.

Overall, the eco-social dimension of the 2019–24 CSRs addressed to Italy is weakly developed, with few explicit recommendations integrating ecological and social concerns. Where such elements appear, they largely reflect the EU's eco-social orientation under the EGD, following a Green Growth approach primarily aligned with Green Economy, alongside limited Green Keynesian elements. The benchmarking role dominates and aligns more closely with Green Keynesianism through its emphasis on steering public and private investment. By contrast, the enabling function remains narrow and underdeveloped, focused mainly on upskilling and reskilling for 'employability', while the buffering function is largely absent – overall reflecting a Green Economy orientation.

NRRP

The drafting of the Italian NRRP took place in a highly turbulent political context. After the July 2020 agreement on the NGEU, the Conte government – supported by a coalition of the Movimento 5 Stelle (M5S), the Partito Democratico (PD), and Italia Viva (IV) – developed a first draft, delivering it in September 2020. The process was soon marked by preliminary objections raised by the EC and growing domestic political conflict over fund allocation, reform scope, and NRRP governance (see Guidi and Moschella, 2021; Ales, 2022; Tassinari, 2022). In January 2021, IV withdrew from the coalition, leading to Conte's resignation and the formation, in February 2021, of a 'national unity' government led by former ECB President Mario Draghi and backed by all major parties except the far-right Fratelli d'Italia (FdI) (Fabbrini, 2022).

Table 3: Analysis of Italy's NRRP

Component	Name	Type of measure	Welfare state function	Explicit or implicit eco-social integration
Mission 2 (Green revolution and ecological transition)	**M2C1.3.1 Investment: Green islands**	Investments to promote green transition in small islands	Benchmarking	IMP
	M2C1.3.2 Investment: Green communities	Investment to support sustainable development of rural and mountain territories	Benchmarking	IMP
	M2C2.1.2 Investment: Promotion of renewables for energy communities and self-consumption	Promotion of renewables for energy communities and self-consumption in areas where social impact can be larger	Benchmarking	EXP
	M2C2.4.2 Investment: Development of rapid mass transport	Investment on public transport to move traffic from private cars to public transport	Benchmarking	IMP
	M2C2.4.4 Investment: Renewal of bus and green train stock	Investment to greening local public transport (buses, trains)	Benchmarking	IMP
	M2C3.1.1 Investment: Plan for the substitution of school buildings and energy-efficient renovation	School building renovation and substitution	Benchmarking	EXP
	M2C3.2.1 Investment: Ecobonus and Sismabonus up to 110 per cent for energy efficiency and safety of buildings	Bonus for energy efficiency and safety of buildings with incentives to help low-income families ('Superbonus')	Benchmarking	EXP
	M2C4.4.1 Investment: Investment in primary water infrastructures for the security of water supply	Investments in primary water infrastructure for the security of water supply	Benchmarking	IMP
	M2C4.4.4 Investment: Investment in sewerage and sewage treatment	Investments in sewerage and purification, mostly in the South	Benchmarking	IMP
Mission 4 (Education and research)	**M4C1.3.3 Investment: Plan for the safety and redevelopment of school buildings**	School building securing and renovation, aiming at reducing energy consumption, improving situation of disadvantaged areas and addressing socio-economic inequalities	Benchmarking	EXP
Mission 5 (Inclusion and cohesion)	**M5C1.1.1 Reform: Active labour market policies and training**	Upskilling and reskilling in transitions	Enabling	EXP
	M5C1.1.2 Investment: Creation of women-led firms	Creation of women's enterprises by funding green transition projects	Enabling	EXP
	M5C1.1.4 Investment: Dual system	Alignment of education with labour market and promotion of skill acquisition on the job for young people especially in marginal and peripheral areas	Enabling	IMP
	M5C1.2.1 Investment: Universal Civil Service	Universal Civil Service promoting young people's active citizenship and funding green transition projects	Enabling	EXP
	M5C2.2.1 Investment: Investments in urban regeneration projects aimed at reducing marginalisation and social degradation	Investments in urban regeneration projects, including improving social and environmental context and renovating public buildings hosting public and social services	Benchmarking	EXP
	M5C2.2.2 Investment: Integrated Urban Plans	Investments in urban regeneration especially in vulnerable territories to promote sustainable and participatory urban settings	Benchmarking	EXP

Component	Name	Type of measure	Welfare state function	Explicit or implicit eco-social integration
	M5C2.2.2 Investment: Innovative programme for quality of housing	Innovative programme for quality social housing by relying on green innovation	Benchmarking	EXP
Mission 7 (RePowerEU Chapter) (2023)	**M7C1-I.10.1. Pilot project on competences "Growing Green"**	Pilot project to develop green skills	Enabling	EXP
	M7C1-I.17.1. Financial instrument for improving the energy efficiency of public buildings, including residential buildings (ERP), and the homes of low-income and vulnerable families	Financial instrument to incentivise renovation of public and social housing for low-income households	Benchmarking	EXP

Source: Authors' elaboration on the NRRP documentation

The Draghi government, facing an imminent deadline, produced a revised version of the NRRP to address the EC's criticisms while attempting to satisfy its broad and heterogeneous governing coalition (see Tassinari, 2022). The final Plan was only marginally different in terms of resource allocation and policy content. By contrast, it had different governance arrangements, which were markedly more centralised and top-down – concentrating design, monitoring, and implementation powers within the national executive – and struck a new emphasis on reforms over investments (Guidi and Moschella, 2021; Di Quirico, 2022) in line with EC's preferences (Miró, Natili and Schelkle, 2024). The Italian NRRP was ultimately approved by the EC and the Council with an A rating in all assessment criteria, including the CSR-related component, with the only exception of costing, which received a B rating (European Commission, 2021).

Substantively, the Italian NRRP is organised around six main missions[5], complemented by 'horizontal' reforms (to boost the public administration and justice systems) and 'enabling' reforms (to simplify the regulatory system). We identify 17 measures in the original Plan that pursue ecological and social objectives in an integrated manner, out of 239 measures in total. Hence, even under our relatively generous coding strategy, the Plan's eco-social dimension is limited, a finding broadly consistent with the analysis by Theodoropoulou, Sabato and Akgüç (2025), who identify 11 such measures. All identified measures fall within either the benchmarking or enabling welfare functions, with benchmarking clearly predominant (13 out of 17).

[5] These are: (1) Digitalisation, innovation, competitiveness, culture and tourism; (2) Green revolution and ecological transition; (3) Infrastructures for sustainable mobility; (4) Education and research; (5) Inclusion and cohesion; and (6) Healthcare.

In terms of content, the majority of benchmarking measures are forms of social benchmarking attached to green investments: investments in sustainable public transport, green development strategies to improve territorial cohesion, clean infrastructure, and initiatives to support energy communities, urban regeneration or social housing. However, by far the most significant measure here is the extension of the so-called 'Superbonus' (or 'Ecobonus') for improving the energy efficiency of private residential buildings until 2023, rather than its initially planned phase-out in 2021. Expected to be financed under the RRF for approximately €13 billion[6], the Superbonus provided a 110% tax deduction for energy-efficiency and structural safety renovations, with its eco-social dimension stemming from the *ex-ante* transferability of tax credits, enabling low-income households to participate without upfront costs.

The most consequential enabling measure was a reform of ALMPs designed to foster 'employability' through reskilling and upskilling for labour market transitions, formalised in the November 2021 'National Programme for the Employability of Workers Guarantee' (*Programma Nazionale per la Garanzia Occupabilità dei Lavoratori*, GOL). The reform combined enabling measures – guidance, training, and skills development – with a workfarist component based on strengthened conditionality and sanctions for benefit recipients and non-participants (Tassinari, 2022). Other eco-social enabling measures included support for women's entrepreneurship (particularly in sectors linked to the green transition), the reinforcement of apprenticeships, and the strengthening of the universal civil service, all linked to a 'National Plan on New Competences' (*Piano Nazionale Nuove Competenze*), which targeted skills mismatches and emerging skill needs, especially in green sectors.

The Italian NRRP underwent several revisions in the years following its adoption, largely in response to rising inflation, supply-chain disruptions, and changing geopolitical conditions following Russia's invasion of Ukraine. A major modification concerned the inclusion of a dedicated REPowerEU chapter at the end of 2023, associated with an additional financial envelope of €2.76 billion coming from the EU initiative to reduce dependence on Russian fossil fuel. It comprises five new reforms, eleven new investments, and four upscaled investments (European Commission, 2023b), assessed against the content of the 2023 CSRs, whose eco-social component was more substantial than in previous years (see above). However, while these

[6] It should be noted that the total cost of the Superbonus (including for the years preceding the NRRP) ended up being significantly higher, with estimates varying widely from around €80 billion to around €120 billion. For this reason, the measure has been the object of heated political debates that continue to this day. The credit transfer option (i.e. the social component of the measure) was subsequently 'removed in February 2023 because of eligibility concerns and the higher-than-expected uptake which resulted in an excessive increase of government expenditure' (Council of the European Union, 2023).

measures support the green transition, the eco-social dimension remained rather limited, consisting mainly of a small-scale pilot project supporting workers' acquisition of 'green skills' (enabling) and a financial instrument assisting low-income households and public administrations in improving the energy efficiency of public housing and public building stock (benchmarking) (European Commission, 2023a). Others were updates or upscales of existing measures, reinforcing their eco-social component[7].

Overall, the eco-social dimension of the Italian NRRP remains limited and unevenly developed, as the integrated pursuit of social and ecological objectives is confined to a narrow subset of measures. The benchmarking function clearly dominates, particularly through measures aimed at steering public and private investment towards the green transition. Such measures could operate according to both Green Keynesian and Green Economy logics, yet the narrow scope of the enabling measures, and conspicuous absence of any buffering measures, imply a clear Green Economy orientation, mirroring both the CSRs content and the RRF Regulation's constraint.

Italy's eco-social policy under the RRF: between EU influence and national dynamics

The alignment between the Italian NRRP's eco-social orientation, Italy's CSRs from the EC, and the EU's broader Green Growth agenda under the EGD raises the question of the extent to which this convergence can be attributed to supranational influence. The EU's role in shaping Italy's eco-social priorities through the RRF appears difficult to contest.

First, there were several *ex-ante* conditions that facilitated the EU's influence on this issue. Most notably, the design of the RRF itself imposed binding constraints at the drafting stage. Requirements concerning the allocation of resources across policy priorities, the exclusion of recurring expenditure in favour of investment, and the absence of any mandatory social spending target structurally favoured benchmarking and enabling measures, while sharply constraining – if not entirely precluding – buffering interventions (Theodoropoulou, Sabato and Akgüç, 2025). These – alongside the CSRs and the 'performance-based nature' of the instrument – 'had a very concrete impact on the choices contained in the Plan' and 'guided the selection and design of the [NRRP] interventions' (MIN_IT#1). As trade union representatives noted, these constraints also limited the scope of enabling policies beyond a narrow focus on skills and employability, as the expansion of social services would have required permanent staffing funded through recurrent

[7] As such, these have not been counted in the coding exercise to avoid duplication.

expenditure (TU_IT#1). More broadly, the absence of recommendations to introduce buffering instruments may have contributed to keep a universal income support mechanism – an element sorely lacking in the Italian welfare system (EXP_IT#2) – off the table.

These hard regulatory constraints were compounded by more informal pressures exerted by the EC following its preliminary assessment of the Conte government's first NRRP draft. As documented by Miró, Natili and Schelkle (2024, pp. 1622–1623), the EC publicly criticised the initial Plan for lacking coherence, engagement with past CSRs, and a credible reform agenda – issues subsequently addressed in the version prepared by the Draghi government (see above). The government also had 'constant and structured' interactions with the EC during the drafting stage, with the aim of 'verifying the consistency of the measures with the requirements of the RRF Regulation', shaping both 'the design of the measures and the monitoring mechanisms' put forward by the Italian government (MIN_IT#1).

Second, the broader economic and governance context of 2020–21 also played a role. Amid the COVID-19 crisis, with fiscal space severely constrained by high public debt and deficits, the RRF became Italy's primary opportunity for economic recovery. This heightened the salience of conditionality, as access to (sorely needed) funding hinged on compliance with EU priorities. One expert even suggested, with all due caveats, that this dynamic bore similarities to the structural adjustment programmes experienced by Latin American countries in the 1980s (EXP_IT#1). Moreover, the RRF was layered onto existing EU macroeconomic surveillance mechanisms. Although the SGP was temporarily suspended, its reinstatement loomed on the horizon, and Italy continued to be classified as experiencing 'excessive macroeconomic imbalances' under the MIP preventive arm, triggering enhanced monitoring and the threat of escalation to the corrective arm – including potential financial sanctions. This may have further reinforced the steering capacity of the CSRs and constrained national room for manoeuvre (on the latent effects of the MIP preventive and corrective arms, see Jordan, Maccarrone and Erne, 2021; Scholz-Alvarado, 2022).

Third, the EC's role was strengthened by the unprecedented *ex-post* conditionality attached to the RRF, with the disbursement of funds tied to the achievement of a dense set of milestones and targets subject to reviews every six months. In a context where the NRRP's size was exceptionally large, the possibility of delayed or withheld disbursements substantially increased the EC's leverage. As one expert put it, 'the carrot [of the funding] comes only with the stick [of the conditionalities], and the stick comes first even if you have an advancement payments... If you don't do what they ask you to do, then you have to send [the payments] back' (EXP_IT#1).

Nevertheless, these conditions and pressures did not fully determine the Italian NRRP's content or eco-social orientation. Indeed, the instrument was explicitly designed to foster national 'ownership' of reforms and investments, and the drafting process unfolded through a two-way interaction between national and supranational actors (EC_IT#1; MIN_IT#1; see also Miró, Natili and Schelkle, 2024). Accordingly, the effects of EU pressures can only be fully understood via its interaction with national policy agendas and ongoing dynamics of conflict and compromise over the distributional implications of the green transition.

With regards to Italy's national policy agendas and dynamics, the interview material with Italian experts and social partners suggests that, in navigating the eco-social–growth trilemma, there was relative consensus on emphasising economic growth and competitiveness. Across the board, social partners criticised the EGD not for its role as a *growth* strategy, but for having set green objectives without sufficiently underpinning them with EU-wide industrial policies capable of delivering on those objectives – thereby hampering economic growth and job creation. This framing is hardly surprising in a country where manufacturing remains highly relevant and where social partners retain a strong presence in industry.

Within this shared concern, however, positions diverged. Employers framed the problem in terms of regulatory burdens and overly ambitious environmental targets as threats to competitiveness (EMP_IT#1–3). Trade unions, by contrast, emphasised the employment risks associated with unmanaged industrial decline and the need for active industrial policy to ensure a 'just transition' (TU_IT#1; TU_IT#2; TU_IT#3). Public investment steering and an active industrial policy that aligns job destruction with job creation were considered as vital, with interviewees feeling that the green transition would be an opportunity to relaunch Italian manufacturing, rather than a threat to workers (TU_IT#2; TU_IT#3). The left-wing trade union CGIL notably placed less emphasis on reducing regulatory burdens and more on public coordination and planning, and expressed critical reflections on the centrality of GDP growth, raising the possibility of foregrounding broader indicators of social welfare, in a way that resonates more closely with the Recomposing Consumption and Production paradigm (TU_IT#2).

In terms of welfare functions, enabling measures linked to ALMPs, upskilling, and reskilling emerged as the lowest common denominator across actors. Their prominence in the NRRP reflected not only supranational pressure, but also entrenched domestic practices, as social partners have long been involved in ALMPs addressing industrial restructuring, including green-related transitions (EXP_IT#2). Additionally, as noted by Tassinari (2022, p. 449), the emergence of ALMPs as the 'minimum common denominator' also represented a feature of the national *political* debate, with otherwise heterogeneous parties supporting the Conte and Draghi governments able to 'find a politically viable minimal consensus' only around this theme. As a result, ALMPs constituted one of the few areas where consensus could be reached 'across parties and across the labour–capital divide'.

Beyond this minimum consensus on ALMPs, important divergences emerged on the qualitative nature of enabling measures. The GOL programme and the National Plan on New Competences – the Italian NRRP's largest enabling measures – reflected a narrow, activation-centred approach aligned with a Green Economy perspective and employers' preferences for incentives to sustain labour market participation (EMP_IT#1; EMP_IT#2; EMP_IT#3) to 'encourage people [...] to remain active' (EMP_IT#3). A similar attention to 'functional and capacity-building' welfare was echoed by CISL (TU_IT#1), although its greater emphasis on strengthening social services – more consistent with a Green Keynesian view – was only weakly reflected in the Plan. Further, CGIL advanced an even wider conception of enabling welfare, explicitly advocating for the linking of ALMPs to buffering instruments through a 'unified social stabiliser to accompany the [green] transition' (TU_IT#3) – a perspective that was wholly absent from the Plan.

Relatedly, CGIL stood out in its sustained emphasis on buffering measures, redistribution, and collective solutions such as green public mobility and communal ownership, aligning more closely with the Recomposing Consumption and Production paradigm (TU_IT#2). These positions were also reflected in criticisms against the 'exclusive supply-side focus' of the NRRP, which marginalised 'issues of employment quality, working conditions and demand-side measures to stimulate the creation of quality employment' (Tassinari, 2022, p. 450). Employers, by contrast, expressed greater satisfaction with the Plan's content (Tassinari, 2022; Pritoni, Bitonti and Montalbano, 2023). These alternative priorities are precisely those that were largely missing from Italy's eco-social policy mix under the RRF.

Two additional factors reinforced this pattern. The Draghi government itself was closely aligned with the EU's Green Growth orientation, exhibiting a pro-business, supply-side policy approach that shaped the NRRP's overall direction (Tassinari, 2022, p. 448). At the same time, tight deadlines and the RRF's governance architecture – combining substantial financial incentives with dense conditionality and enhanced surveillance – favoured centralisation of decision-making in the hands of the executive and sidelined stakeholder consultation, further narrowing the space for alternative eco-social trajectories to gain traction (Domorenok and

Guardiancich, 2022; Pritoni, Bitonti and Montalbano, 2023; Bokhorst and Corti, 2024; Gasseau, 2026)[8].

Taken together, these dynamics point to the strategically selective character of supranational pressure in the eco-social domain. RRF funding undeniably enabled an expansion of Italy's eco-social policy footprint, allowing projects sitting in ministries' 'drawers for decades' but not launched 'because of tight budget constraints' to be financed (Miró, Natili and Schelkle, 2024, p. 1626) – especially in the area of social investment services (Guillén, León and Pavolini, 2022; Lippi and Terlizzi, 2023). At the same time, the strong emphasis on benchmarking and (narrowly defined) enabling measures tended to privilege national strategies and orientations that were broadly aligned with the EU's Green Growth agenda, disadvantaging others situated further along the eco-social spectrum.

5.2 Germany

CSRs

For Germany, the content of the CSRs issued between 2019 and 2024 displays an overall limited and uneven eco-social dimension. Across the period, eco-socially relevant references can be identified in 13 recitals and recommendations, though only a small subset take the form of explicit recommendations that combine ecological and social objectives. As in the Italian case, the majority of relevant references appear implicitly in the recitals rather than in the formal recommendations themselves, and they primarily concern the alignment of public and private investment with the green transition.

Table 4: Content of CSRs to Germany (2019-24)

Year	In recitals (A) or recommen-dations (B)	Type of measure mentioned/recommended	Welfare state function	Explicit or implicit eco-social integration
2019	**B**	Investment-related economic policy on green and social areas	Benchmarking	IMP
2020	**B**	Public and private investment in clean tech, infrastructure, transport, skills, and other priorities	Benchmarking Enabling	IMP
2021 (adapted)	***B***	*Fiscal policy to contain current expenditure and prioritise investment and social protection*	*Benchmarking Buffering*	*IMP*
2022	A	Investment in green transition and energy security, cushioning for groups vulnerable to energy poverty	Benchmarking Buffering	EXP

[8] The lack of involvement of trade union organisations (alongside the marginal role played by the Parliament) in the drafting of the NRRP is highlighted by TU_IT#2. To be sure, dissatisfaction with the consultation process was widespread among social partners, interest groups, and civil society organisations, although business associations ultimately expressed greater satisfaction with the content of Draghi's NRRP (Pritoni, Bitonti and Montalbano, 2023), reflecting the executive's business-friendly orientation. In this context, the weakening or bypassing of institutionalised consultation channels is likely to have disadvantaged labour organisations in advancing their priorities and make their preferences heard.

	A	Removal of barriers to private investment for transitions and balanced territorial development	Benchmarking	IMP
	A	Energy efficiency in housing and public transport	Benchmarking	IMP
2023	A	Education and upskilling/reskilling for green transition	Enabling	EXP
	A	Accessibility of education/VET systems in sectors and regions most affected by green transition	Enabling	EXP
	A	Adult learning and upskilling/reskilling for green transition	Enabling	EXP
	B	Upskilling/reskilling for green transition	Enabling	EXP
2024	A	Education and upskilling/reskilling for transitions	Enabling	EXP
	A	Education and upskilling/reskilling for green transition	Enabling	EXP
	A	Quality and inclusiveness of education and training in the context of green transition	Enabling	IMP

Source: authors' elaboration on CSRs adopted by the Council (2019-24). Note: the complete table with document excerpts can be found in the Appendix.

In the pre-pandemic cycles (2019–2020), eco-social integration remained weak. Where present, the CSRs focused predominantly on benchmarking measures, calling for increased investment in sustainable transport, clean energy systems, and energy-efficient housing. These recommendations were framed in terms of economic modernisation, productivity, and long-term competitiveness, rather than as integrated responses to social risks or distributive challenges arising from the transition. Social aspects appeared only marginally and indirectly, with limited references to labour market adjustment or skills needs, and without explicit linkage to broader social protection or inclusion objectives. Notably, there were no explicit references to redistributive concerns, or the double or triple injustices experienced by lower-income groups relating to the green transition.

This orientation largely persisted in the 2022 CSR cycle, despite the profound macroeconomic and political changes following Russia's invasion of Ukraine and the ensuing energy crisis. Eco-social references again appeared only in recitals, continuing to focus on investment-oriented benchmarking related to decarbonisation and energy system resilience. For the first time, however, the EC explicitly acknowledged the social risks of rising energy prices, including energy poverty, and called, if only implicitly, for buffering measures to 'sustain the purchasing power of the most vulnerable households so as to cushion the impact of the energy price hike' (European Commission, 2022). Yet this recognition in the recitals did not translate into integrated eco-social recommendations, reflecting a 'paralleled policymaking' approach, whereby ecological and social problems are *recognised* simultaneously but not *addressed* jointly (Sabato, Mandelli and Vanhercke, 2021).

Similarly to Italy, in the 2023 CSR cycle a more visible eco-social orientation emerged, centring on green skills. Several passages, both in the recitals and in the formal recommendations, referred to the need to better align the green transition with skills development, adult learning, and upskilling and reskilling strategies, as well as with research and innovation capacities relevant to the transition. While signalling a broadening understanding of the social challenges associated with decarbonisation, particularly with respect to labour market adjustment, this shift remained limited in scope and depth: The emphasis continued to rest primarily on enabling measures, narrowly defined in terms of human capital formation and employability, rather than on more expansive redistributive or protective instruments, or the expansion of social services.

The 2024 CSRs marked a partial reversion to a more restrained eco-social integration. While references to skills and innovation persisted, they were largely implicit and framed within broader competitiveness and fiscal sustainability concerns, particularly in light of the reactivation of EU fiscal rules. Explicit eco-social linkages were weaker than in 2023, and buffering measures introduced during the energy crisis were increasingly framed as temporary, with an emphasis on improved targeting and fiscal consolidation. As a result, the 2023 cycle appears more to have been a temporary inflection point than a sustained shift in the EU's approach to eco-social coordination in the German case.

Overall, the German CSRs between 2019 and 2024 display a predominantly benchmarking orientation, complemented by some enabling elements and only very limited buffering components. Enabling measures are largely confined to green investment and skills-related policies, particularly upskilling and reskilling, while broader social protection or redistributive mechanisms play a marginal role. In terms of eco-social welfare functions, this places Germany firmly within a benchmarking-dominant profile, with enabling serving as a secondary function and buffering remaining underdeveloped. In terms of the prevalent eco-social paradigm, the German CSRs align most closely with a Green Economy approach. The focus on investment, innovation, and market-compatible transition pathways dominated throughout the period. Elements consistent with Green Keynesianism, particularly the steering of public investment and the recognition of social adjustment needs, became more visible in the 2023 cycle, especially around green skills, but their narrowness of scope and partial reversal in 2024 suggest a fundamentally unchanged overall orientation.

NRRP

The drafting and adoption of the German NRRP unfolded in a comparatively stable political and institutional context, particularly when contrasted with the Italian case. Following the agreement on the NGEU at EU level in July 2020, the federal government initiated work on the Plan under the grand coalition led by Chancellor Angela Merkel, before its finalisation and submission in 2021. Unlike in Italy, the NRRP did not become a focal point of major domestic political conflict, nor did it trigger significant debate over governance or the allocation of funds. Germany submitted its NRRP by the April 2021 deadline, and it was swiftly approved by the EC and the Council, receiving a positive assessment across all criteria, including alignment with the relevant CSRs. In the years following its adoption, the German NRRP underwent several minor revisions, primarily in response to changing macroeconomic conditions, inflationary pressures, and the introduction of the REPowerEU initiative. By late 2025, Germany had fulfilled 61% of its milestones and received almost €20bn in disbursements under the RRF framework.

Table 5: Analysis of Germany's NRRP

Component	Name	Type of measure	Welfare state function	Explicit or implicit eco-social integration
Decarbonisation	**1.1.4 Project-related research (climate protection research)**	Investment in sustainable solutions for small businesses and municipalities	Benchmarking	IMP
	1.1.6 Federal funding for efficient heating networks	Investment in decarbonising heating systems; social as done at district level	Benchmarking	IMP
Climate-friendly mobility	**1.2.1 Subsidies for refuelling and charging infrastructure to expand electromobility**	Investment subsidies for the construction of refuelling and charging infrastructure	Benchmarking	IMP
	1.2.5 Support for the purchase of buses with alternative drive systems	Funding for purchasing green buses, mostly aimed at local public transport providers	Benchmarking	IMP
	1.2.6 Support to promote alternative drive systems in rail transport	Funding for green investments, mostly aimed at local authorities and public companies	Benchmarking	IMP
Climate friendly construction	**1.3.2 Local authority living labs for the energy transition**	Reform / Investment for innovative ways of making municipal energy supply renewable	Benchmarking	IMP

Source: Authors' elaboration on the NRRP documentation

Substantively, the German NRRP was organised around seven missions, covering climate policy and decarbonisation, digitalisation, education, social inclusion, healthcare resilience, administrative modernisation, and, following the introduction of REPowerEU, cheaper and cleaner energy. The Plan included 17 reforms and 28 investments, with 49.5% of funds allocated to climate objectives and nearly 47.5% to digital measures, exceeding RRF requirements and reflecting its strategic priorities. A substantial share of resources supported the green transition through investments in renewable energy, energy-efficient buildings, sustainable mobility, and industrial decarbonisation, all of which fall within the benchmarking function.

The eco-social measures identified in the German NRRP were primarily oriented towards bolstering the economic and market viability of the green transition, rather than addressing its distributive consequences or driving a transformative reorientation of society. Most measures consisted of subsidies, financial incentives, or investment support aimed at accelerating the decarbonisation of industry and use of renewable energy in industry, especially Hydrogen energy systems (Component 1.1), energy-efficient housing (Components 1.3 and 7.1.1), and clean mobility solutions (Component 1.2). The social dimension was largely articulated through broad notions of accessibility, affordability, or employment effects, without being explicitly targeted at vulnerable groups or framed in redistributive terms, suggesting a largely Bismarckian logic (Esping-Andersen, 1990). This pattern indicates a high degree of consistency between EU-level coordination and national policy design.

Key measures included investments in energy-efficient building renovation, clean public transport, incentives for low-emission vehicles, and instruments such as carbon contracts for difference to support industrial decarbonisation. While these measures may yield indirect employment or distributional effects, their eco-social dimension lies mainly in enabling market participation rather than providing direct social protection or compensation. Accordingly, their primary function remains benchmarking, and we find no policies with explicit enabling or buffering functions. The introduction of the REPowerEU chapter in 2023 did not substantially alter this orientation. It largely reinforced existing priorities, focusing on renewable energy expansion, energy security, and reduced fossil fuel dependence. Although these measures respond to acute energy challenges, they do not represent a shift towards a more redistributive or protective eco-social approach, as support is broadly distributed rather than targeted at those most affected by rising energy costs.

Overall, the German NRRP exhibits a coherent but narrow eco-social profile. In terms of eco-social welfare functions, the Plan is overwhelmingly oriented towards benchmarking measures, with little evidence of enabling and an absence of buffering instruments. This configuration places Germany firmly within a Green Economy–oriented eco-social framework. The Plan, similar to that of Italy, certainly incorporated elements that could be described as Green Keynesian – particularly in the sense of channelling public spending towards low-carbon industries and environmentally friendly activities. Yet these interventions fall short of taking a market-steering or market-shaping role, instead primarily serving to bolster the role of private actors and market-based solutions in driving the transition. As a result, the German NRRP aligns closely with the EU's eco-social orientation under the EGD, while remaining embedded within an essentially unchanged market-oriented policy paradigm.

Germany’s eco-social policy under the RRF: between pre-existing national dynamics and sidelined EU influence

The alignment between the eco-social orientation of the German NRRP and the EU’s broader Green Growth agenda under the EGD again raises the question of the extent to which this convergence can be attributed to supranational influence. In the German case, however, EU mechanisms of influence appear more limited and more indirect than in Italy, both in terms of financial leverage and governance pressure. While the RRF imposed a set of hard regulatory constraints on all member states, their constraining effect in Germany was attenuated by the comparatively smaller size of the Plan and by the decision to rely exclusively on grants. As a result, the NRRP did not assume the same central role in Germany’s economic recovery strategy as it did in high-debt Member States that used the RRF to a greater extent, such as Italy.

Interview material suggests a relatively broad consensus among German actors regarding the German eco-social ‘Green Economy’ policy strategy; The ‘growth’ part of the eco-social-growth trilemma was prioritised in domestic strategy and was viewed positively by stakeholders. Even trade union actors tended to situate their demands within a Green Growth paradigm, with a trade unionist recognising that ‘to bring growth together with climate equity [...] you see you can grow while decarbonising, so that’s a way out’ (TU_DE#2). Disagreement instead concerns the means: trade unions advocated for greater use of Green Keynesian policies, such as stronger social conditionalities attached to decarbonisation strategies, and employers’ representatives preferred a market-led, Green Economy approach (TU_DE#1; EMP_DE#2).

Important context constrained the political feasibility of eco-social policies, as in Italy. Most respondents, especially employers’ representatives, stressed the severe economic pressure on German industry – especially its high-emission sectors (EXP_DE#2, TU_DE#1). Notably, the German focus on industrial policy for growth and competitiveness was thus viewed positively (EXP_DE#1, TU_DE#1). Consistent with the eco-social literature, interviewees explicitly saw this as central to preserving the German social model, subordinating climate goals to social and, above all, economic ones (Tuuli Hirvilammi *et al.*, 2023). A succession of overlapping crises further constrained the political feasibility of eco-socail policies: Interviewees repeatedly pointed to the pandemic, the energy crisis, and geopolitical instability as factors that constrained the ambitions of the new government, used up valuable resources, and reinforced a preference for incrementalism and continuity (EXP_DE#1; EMP_DE#1). In this context, degrowth strategies were consistently described as politically untouchable, even if for some – especially within the labour movement – they might be theoretically interesting or more socially just than a less transformative transition (TU_DE#1, TU_DE#2).

A key feature of the German case is that labour market policies – often identified as central to eco-social integration in other contexts – were largely situated outside the NRRP framework, with strong role for social partners in the coordination of such policies (Westhoff and Crichton-Miller, 2024). Interviewees stressed a deliberate effort not to treat eco-social challenges as fundamentally distinct from 'ordinary' social policy issues or other structural challenges (EMP_TU#2; PES_DE#1). Indeed, the German Public Employment Services (PES) explicitly do not distinguish between 'brown' and 'green' jobs and skills, preferring a 'whole of economy' approach that does not stigmatise Germany's emission-heavy base (PES_DE#1). This reflects an institutional set-up that addresses labour market policies through existing corporatist arrangements and labour market instruments (EMP_TU#2; PES_DE#1). Here, social partners are central actors in Germany's eco-social governance: Stakeholders referred to longstanding, deep involvement in initiatives such as the 2020 Coal Exit Plan, 'green' vocational education and training schemes, and sectoral transformation strategies, all of which involved extensive negotiations between social partners and, especially in the latter two, limited government involvement (PES_DE#1; TU_DE#2; EMP_DE#2). There is broad cross-stakeholder support for ALMPs in this context, particularly for reskilling and training measures aimed at building a resilient workforce, mirroring the 'lowest-common-denominator' compromise found in the Italian case.

At times, this well-entrenched institutional set-up proved resistant to EU-level pressures, with some interviewees expressing disapproval of the European emphasis on *green* skills over others, as compared to the German approach (EMP_DE#2). Such a finding implies that avenues for direct EU supranational pressure on eco-social governance via the RRF were more limited when it came to 'enabling' functions. Here was a well-established eco-social labour market policy landscape that operated without RRF funds and thus not directly affected by supranational pressure.

Concomitantly, public policies for the green transition in Germany tended to predominantly focus on the environmental rather than on the social aspects that were left to social partners (EXP_DE#1; TU_DE#1). Interviewees suggested a certain degree of policy siloing occurred in early German decarbonisation strategies, perhaps relating to this delegation of social issues to the social partners. On this logic, social policies were sidelined and an afterthought by those driving the green transition, and the emphasis on decarbonisation of industry was sufficiently 'just' insofar as it entailed the protection of employment through competitiveness. One trade union representative went as far to suggest that 'there was not a real labour [market] policy approach [in the decarbonisation strategy], and we see now that this dimension should have been addressed five years ago' (TU_DE#1). Following the energy crisis, awareness grew that policymakers should not underestimate the social dimension of the green transition, yet the response remained limited, continuing to follow a logic according to which 'essentially social policy is a tool to appease the population' for those disadvantaged by the green transition (EXP_DE#1).

With respect to the domestic influence of the EGD, especially via the CSRs and RRF, three insights can be drawn from the interviews with stakeholders and experts. Firstly, interviewees struggled to identify cases where the EU had driven processes of domestic reform. One employer representative felt that, 'so far, we have not really seen any EU impulses towards the just transition that have inspired national reform in this context' (EMP_DE#2). Instead, EU strategies were viewed as broadly consistent with preexisting domestic strategies and therefore as offering useful resources for ongoing policies: 'at the end of the day [RRF funds] topped up already-existing reforms' (EMP_DE#2). Importantly, both trade unions and employers' associations attributed this in no small part to a lack of financial heft in the NRRP. By means of example, the use of the JTF in the German 2020 Coal Exit Plan was widely touted as a success in which one might expect to find supranational influence. Yet it was a case of too little too late: the Coal Exit Plan (July 2020) had already committed €40 billion of structural support funds prior to the approval of the JTF (May 2021), and the Fund sought to top this up with a relatively paltry €2.5 billion. Further, the German Coal Exit Plan was already domestically funded, meaning the JTF, rather than enabling a comprehensive eco-social response, simply freed up domestic funds for spending elsewhere (EXP_DE#1; TU_DE#1). This suggests that the smaller funds in the German Plan did indeed allow for the 'maintenance of traditional policy legacies' and was not able to displace existing eco-social approaches (Cotta *et al.*, 2025, p. 7)

From this perspective, neither the EGD nor the RRF was perceived as having exerted a decisive influence on domestic eco-social policy choices; rather, they were viewed as reinforcing trajectories already 'in the pipeline'. That said, trade union representatives explicitly pointed to the EU's state aid rules as a constraint on pursuing a more expansive and socially integrated green industrial strategy (TU_DE#1). While beyond the scope of this paper, even if the EU did not drive influence in this case through the RRF or EGD, the EU's tight fiscal rules may have pre-structured national policy space, permitting certain measures (notably benchmarking) and prohibiting other, more fiscally expansive, ones (notably buffering), consistent with the argument advanced by Theodoropoulou, Sabato and Akgüc (2025).

Secondly, interviewees did note that the EU exercised a degree of discursive and agenda-setting influence. EU concepts and terminology were frequently adopted in national policy documents and debates, suggesting a process of cognitive alignment even in the absence of strong material conditionality (EXP_DE#1; TU_DE#1). In addition, EU-level discussions around the redistributive function of the SCF were cited as drawing attention to Germany's national emissions trading system, notably its limited redistributive function (EXP_DE#1), even if, again, the capital redistributed under the SCF was too low to alleviate high energy costs for low-income groups in Germany.

Finally, several interviewees emphasised the bidirectional nature of influence between Germany and the EU. Germany was not merely a rule-taker but also an agenda-setter on eco-social policy, actively shaping EU climate and energy priorities in areas such as hydrogen and industrial decarbonisation (COM_DE#1; EXP_DE#1). Indeed, the notable emphasis on renewable Hydrogen in the German NRRP is an early demonstration of this mutual influence between European priorities – renewable Hydrogen is an Important Project of Common European Interest – and German ones, as the German Hydrogen Strategy action plan (adopted 2020) details its ambitions for a world-leading German 'Hydrogen economy'. In this sense, the alignment between EU and German eco-social priorities reflects not only supranational steering, but also Germany's capacity to project its own policy preferences upwards to the European level.

Taken together, these dynamics suggest that supranational pressure in the German case operated in a strategically selective and largely facilitative manner. The EGD and the RRF reinforced a pre-existing Green Economy–oriented eco-social configuration, privileging benchmarking measures while leaving enabling and buffering largely to national corporatist arrangements and public services outside the NRRP. Yet, these orientations were already established in Germany, and the insulation of important policy domains (including labour market policy) from the RRF further curtailed avenues for EU pressure. The RRF thus did not serve as a transformative lever capable of reshaping domestic eco-social priorities. Instead, it functioned as an amplifier of nationally entrenched policy paradigms, highlighting the importance of domestic institutional configurations in mediating EU influence.

6. Discussion and conclusion

This paper examines how EU-level initiatives since 2019, most notably the EGD and the RRF, have shaped national eco-social policies by combining insights from Europeanisation, EU social policy, and international political economy literatures. It analyses how supranational pressures interact with national agency to produce differentiated eco-social policy trajectories. Conceptually, EU frameworks are understood as pre-structuring national policy space through 'strategic selectivities' (Jessop, 1990; Sandbeck and Schneider, 2014) that privilege certain policy strategies in national socio-political struggles and compromises. Analytically, the paper builds a heuristic tool crossing a typology of eco-social policy paradigms (Green Economy, Green Keynesianism, Recomposing Consumption and Production, and Degrowth) (Schulze Waltrup, 2025a) with a categorisation of welfare state functions (benchmarking, enabling, and buffering) (Sabato, Mandelli and Vanhercke, 2021; Sabato and Mandelli, 2024; Theodoropoulou, Sabato and Akgüç, 2025) to capture both the orientation and substance of policy change. Methodologically, it follows three steps: first, examining the eco-social content of EU-wide initiatives adopted over the 2019–2024 period; second, analysing EU governance involvement through the Semester and the RRF; and third, assessing the content of national eco-social policies through a comparative case-study of Italy and Germany based on NRRPs, secondary literature, and semi-structured interviews.

The EU's eco-social orientation under the EGD can be said to consolidate an eco-social agenda that integrates, more explicitly than in the past, climate objectives with social considerations, but does so largely within a Green Growth paradigm that continues to foreground GDP growth and competitiveness. In this context, ecological and social challenges are primarily addressed through complementary logics of 'economisation' (Laruffa and Nullmeier, 2025) and 'ecological modernisation' (Haas, Syrovatka and Jürgen, 2022), privileging market-based instruments, technological innovation, and social policies framed as investments in human capital. This orientation translates into a strong emphasis on benchmarking and enabling measures (including social incentives for energy efficiency, skills and reskilling, and spatially directing green investments), while buffering instruments linked to income protection and social rights remain marginal. The RRF operationalises this approach through financial resources combined with conditionalities enforced in the framework of the Semester.

Comparing developments across the two case studies and analysing CSRs and NRRPs reveals both similarities and differences. In CSRs, the eco-social footprint was generally limited in both countries: only occasionally did recitals and recommendations explicitly integrate ecological and social objectives, while in most cases the two dimensions were mentioned in parallel, reflecting joint concern without full integration. Benchmarking measures and, to a lesser extent, enabling measures were most prevalent, while buffering measures were almost entirely absent, though slightly more visible during the energy crisis following Russia's full-scale invasion of Ukraine. Over time, eco-social content varied: the 2019–2020 CSRs showed modest attention, the 2023 CSRs reflected a temporary spike due to the Ukraine war and growing focus on green skills, but this largely subsided in 2024. Both Italian and German NRRPs complied with 2019–2020 CSRs and the RePowerEU chapters with 2023 CSRs. Their eco-social content remained limited, as we coded only 17 eco-social measures in Italy and 6 in Germany. The RePowerEU chapters mostly updated or upscaled existing reforms, with only Italy introducing two additional measures of limited scope. In both countries, benchmarking dominated, particularly via investments targeting specific regions, sectors, or infrastructure, even though only in Italy these measures combined ecological objectives with more socially redistributive elements, notably with the Superbonus (which was later narrowed in scope in the RePowerEU chapter).

Despite this common emphasis on socially benchmarking green investments, more marked differences can be found when looking at the enabling function. Enabling measures were more prominent in Italy than in Germany, particularly in the domain of ALMPs and training and reskilling for the green transition. This finding should be understood in the context of pre-existing eco-social policy landscapes and policy legacies: in Germany, enabling policies (especially ALMPs and reskilling) have been a core component of labour market responses to the green transition before the RRF (Westhoff and Crichton-Miller, 2024), whereas in Italy, ALMPs were have long been considered underdeveloped and their overhaul long overdue (Tassinari, 2022). The relative size of the NRRPs also played a role: Italy's larger Plan provided a stronger impulse for policy change, whereas Germany's smaller Plan 'contributed to the maintenance of traditional policy legacies' (Cotta *et al.*, 2025, p. 7).

Several insights emerge from comparing the two cases regarding EU influence on national eco-social policy. First, the EGD's orientation, alongside the RRF's allocation rules and governance, *shaped the content of national eco-social policies, but the larger the financial envelope, the greater the EU's leverage in shaping national priorities*. This aligns with the analysis by Theodoropoulou, Sabato and Akgüç (2025; see also Erne *et al.*, 2024), who highlight that the design of the RRF – and particularly the emphasis on investment for the green transition, the prohibition to fund recurring expenditure, and the absence of binding social spending targets – favoured the inclusion of certain measures (notably benchmarking) and prevented the possibility of including others (notably buffering).

As for the impact of the Plan's size, at the most basic level, the RRF finances a relatively larger number of eco-social measures in Italy than in Germany. Moreover, the larger size of the funding in Italy gave EU institutions greater leeway and more opportunities to shape the Plan and monitor compliance. Lastly – as also hinted at above – a larger NRRP implies almost mechanically more leverage to *change* the existing eco-social policy landscape. Apart from size, policy legacies also appear to be important. Italy and Germany entered the process from different eco-social 'starting points', with the eco-social dimension largely absent in the former (EXP_IT#1) and somewhat more developed in the latter (Westhoff and Crichton-Miller, 2024; EXP_DE#1) before the RRF. This meant that there was 'more to do' on policy in Italy. In Germany, by contrast, the EGD and related EU initiatives had more of a discursive and agenda-setting influence, with national social and political actors foregrounding the (just) transition in their agendas, and Germany even viewed as exercising influence 'upwards' (TU_DE#1; EC_DE#1; see also Zimmermann, Mandelli and Gerstenberg, 2024).

Second, EU rules and eco-social orientations *did not over-determine the countries' eco-social trajectory or the NRRPs content, but steered them in a certain direction*, with national agency, eco-social conflicts, and compromises *playing a crucial part*. As argued above, the RRF's steering power was more pronounced in Italy, due to the larger size of its funding. Nonetheless, the eco-social orientation of the Italian NRRP – primarily centred on benchmarking and enabling measures, with minimal or absent buffering – cannot be understood solely as a by-product of top-down pressures. This orientation also reflects national agendas advanced by social actors and governments. In particular, a lowest-common-denominator compromise existed around the role of industrial policy in accompanying the green transition and the focus on (narrowly conceived) enabling measures. At the same time, supranational pressures favoured certain strategies over others: those closer to the EU-adopted Green Growth perspective – combining a predominantly Green Economy approach with some Green Keynesian elements – were included in the Plan, whereas approaches closer to Green Keynesian or Recomposing Production and Consumption perspectives were largely excluded. This dynamic is only more apparent in Germany: there, a pre-existing eco-social policy strategy, smaller eco-social conflicts among national actors, and smaller EU financing (without loans), especially of policy fields with an important eco-social dimension (labour market policy) meant that the RRF's influence – beyond the formal rules and funding conditions – was comparatively limited in shaping the NRRP's eco-social content.

Overall, the analysis of Italy and Germany illustrates that EU-level initiatives under the EGD and the RRF have shaped national eco-social policies, but their influence is neither uniform nor determinative. The RRF's funding rules, governance architecture, and the EGD's Green Growth orientation steered NRRPs towards particular configurations of eco-social intervention, privileging benchmarking and enabling while marginalising buffering. Yet, the content and emphasis of national policies were also shaped by pre-existing policy legacies and the priorities and strategies advanced by national actors. In *Italy*, where the RRF was larger and eco-social policy underdeveloped, supranational pressures had a stronger material and steering effect, but national agency remained visible in choices over enabling measures and somewhat more distributive benchmarking instruments, such as the Superbonus. In *Germany*, where eco-social concerns were more entrenched and the Plan smaller, EU influence was primarily discursive and agenda-setting, prompting national actors to foreground the just transition without fundamentally altering policy trajectories. In sum, EU initiatives channel national eco-social policies along preferred directions, but the final orientation reflects the interaction between supranational pressures, existing national frameworks, and ongoing eco-social conflicts and compromises.

Despite these findings, a few limitations should be noted, pointing to avenues for further research. First, a fuller understanding of eco-social conflicts and compromise would require examining not only governments' and social partners' agendas, but also those of political parties, other social actors (including more radical trade unions or smaller employers' associations), and civil society organisations, whose priorities are more likely to be marginalised. Second, while this study focused on national policy, sub-national and local dynamics – particularly where EU funding is deployed through instruments such as the JTM – appear significant and merit further investigation[9]. Third, while this study sought to isolate key elements of EU supranational governance, such dynamics take place within a complex architecture of pre-existing regulation, the influence of which may be revealed under further investigation. Fourth, as this paper focused on the influence of EU initiatives, it did not investigate how these initiatives were themselves developed or the role played by national or supranational interests or coalitions in shaping EU eco-social priorities – an axis which may further refine the study's findings. Finally, the conceptual and operational focus on policies *explicitly* integrating ecological and social objectives may overlook ecological policies with broader social implications and social policies that can be repurposed to support the green transition. Future research could adopt a broader conceptual lens and incorporate regional and local dynamics to more comprehensively assess EU influence on eco-social policy landscapes.

Finally, while the focus of this Working Paper has been limited to the development of eco-social policy in the 2019-2024 period, the findings and discussion hold relevance for the post-2024 context, where a palpable pushback is materialising against the ecological transition. At the EU level, pushback has been visible under the second von der Leyen Commission, with proposed legislative steps (so-called omnibus packages) framed as 'simplification' efforts and the

[9] The interviews with experts (EXP_IT#1, EXP_IT#2) were especially relevant in raising this point.

weakening of the 2040 target of 90% net emission reduction potentially 'hollowing out the Green Deal's foundations' (Jansen and Jäger, 2025). These policy backtracking follow – and, to a certain extent, reflect – the rise of far-right parties in the 2024 European elections amid lower turnouts and the weakening of centre-left and green forces.

This study suggests that the social dimension of the green transition pursued at EU level between 2019-2024 was limited, narrowly defined, and subordinated to economic priorities. As seen with the *Gilets Jaunes* protests in France, policies that fail to address the distributive consequences of decarbonisation may drive economic and social anxieties, particularly for directly affected groups, in turn developing a sense of political disaffection and resistance to the transition in its entirety. With this in mind, a possible consequence of the observed emphasis on benchmarking and marginalisation of buffering measures, may leave citizens perceiving that environmental policy primarily benefits wealthier households or firms and not 'ordinary' citizens and communities. In this context, further research should explore in detail the connection between the eco-social orientation of European decarbonisation strategies and the political pushback against them.

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Appendix

Semi-structured interviews

#	Interview Code	Case study	Type of Stakeholder	Date	Number of participants
1	**EXP_IT#1**	Italy	Expert	25/11/2025	1
2	**EXP_IT#2**	Italy	Expert	28/11/2025	1
3	**TU_IT#1**	Italy	Trade union (CISL)	26/11/2025	2
4	**TU_IT#2**	Italy	Trade union (CGIL)	26/11/2025	1
5	**TU_IT#3**	Italy	Trade union (CGIL)	09/12/2025	1
6	**EMP_IT#1**	Italy	Employers' association (Federacciai)	26/11/2025	1
7	**EMP_IT#2**	Italy	Employers' association (Federchimica)	02/12/2025	3
8	**EMP_IT#3**	Italy	Employers' association (Confindustria)	02/12/2025	1
9	**EC_IT#1**	Italy	European Commission (Recovery and Resilience Task Force, Italy Desk)	26/11/2025	4
10	**MIN_IT#1 ***	Italy	Ministry of Environment (Dept Mission Unit NRRP)	21/01/2025	1
11	**EXP_DE#1**	Germany	Expert	26/11/2025	1
12	**TU_DE#1**	Germany	Trade union (DGB)	2/12/2025	1
13	**TU_DE#2**	Germany	Trade union (Chemicals)	16/01/2026	1
14	**EMP_DE#1**	Germany	Employers' association	21/11/2025	1
15	**EMP_DE#2**	Germany	Employers' association (Chemicals)	20/11/2025	1
16	**EC_DE#1**	Germany	European Commission (Recovery and Resilience Task Force, Germany)	13/01/2026	3
17	**PES_DE#1**	Germany	Public Employment Services	5/12/2025	1
				TOT. NUMBER OF INTERVIEWEES:	**25**

**Interview in written form*

Document analysis

Analysis of CSRs to Italy

Year	In recitals (A) or recommendations (B)	Text	Type of measure mentioned/recommended	Welfare state function	Explicit or implicit eco-social integration
2019	A	"Lastly, insufficient effective investment is being made in **waste management and water infrastructure in southern Italy**, while scarcity and drought risks continue. The fragmentation of the sector, together with the weak credit profile of smaller operators, remains a barrier to investment".	Removal of barriers to private investment in infrastructure (waste and water)	Benchmarking	IMP
	A	"**Investment, including in climate change response, environmental sustainability** and risk prevention as well as rural connectivity would also contribute to address **regional disparities**".	Investment and regional disparities	Benchmarking	EXP
2020	A	"Investing in **education and skills** is key to promoting a smart and inclusive recovery and to staying on track to pursue the green and digital transition. In that regard, education and training outcomes continue to represent a major challenge for Italy. [...] **Upskilling and reskilling** remain as crucial as ever to equip workers with labour market relevant skills and to promote a fair transition towards a more digital and sustainable economy".	Education and upskilling/reskilling for transitions	Enabling	EXP
	A	"Green deal investments are also key for reducing the impact on **human health** from air pollution in Italian cities, especially in the Po Basin. For instance, implementing sustainable mobility initiatives, such as renewal of **local public buses**, represents an example to address both congestion and air pollution. Infrastructure deficits for **water and waste management**, notably in southern regions, lead to environmental and health impacts with considerable costs and lost revenues for the Italian economy. More generally, resilience to climate change is relevant for all infrastructure, including health infrastructure".	Investment in public mobility and infrastructure	Benchmarking	EXP
	B	"**Front-load mature public investment projects** and **promote private investment** to foster the economic recovery. Focus **investment** on the green and digital transition, in particular on **clean and efficient production and use of energy**, research and innovation, **sustainable public transport**,	Public and private investment in climate adaptation, mobility, infrastructure, and energy efficiency	Benchmarking	EXP

Year	In recitals (A) or recommendations (B)	Text	Type of measure mentioned/recommended	Welfare state function	Explicit or implicit eco-social integration
		waste and water management as well as reinforced digital infrastructure to ensure the provision of essential services".			
2021 (adapted cycle)	***B***	*"Pay particular attention to the composition of public finances, both on the revenue and expenditure sides of the budget, and to the quality of budgetary measures, to ensure a sustainable and inclusive recovery. Prioritise **sustainable and growth-enhancing investment**, notably supporting the green and digital transition. Give priority to **fiscal structural reforms** that will help provide financing for public policy priorities and contribute to the long-term sustainability of public finances, including by **strengthening the coverage, adequacy, and sustainability of health and social protection systems for all**".*	*Fiscal policy to contain current expenditure and prioritise investment and social protection*	*Benchmarking Buffering*	*IMP*
2022	A	"Against these considerations, the fiscal response has to **expand public investment for the green and digital transition** and energy security, and **sustain the purchasing power of the most vulnerable households** so as to cushion the impact of the energy price hike and help limit inflationary pressures from second round effects via targeted and temporary measures".	Public investment in transitions and energy poverty	Buffering	IMP
	A	"The successful implementation of the Recovery and Resilience Facility and cohesion policy programmes also depends on the **removal of bottlenecks to investment** to support the green and digital transition and **balanced territorial development**".	Removal of barriers to private investment for transitions and balanced territorial development	Benchmarking	IMP
	A	"In addition, there is a need to speed up the **decarbonisation of the transport sector**, including by accelerating the rollout of charging points for electric vehicles, and **advancing key railway, cycling and public transport projects**".	Decarbonisation of public mobility and transport	Benchmarking	EXP
	B	"**Expand public investment** for the green and digital transition and for energy security, including by making use of the RRF, RePowerEU and other EU funds".	Investment (pub) and use of EU funds	N/A	2
2023	A	"Beyond the economic and social challenges addressed by the recovery and resilience plan, Italy faces a number of additional challenges related to energy policy and the green transition, particularly on the uptake of renewables, gas transmission, **energy efficiency, the provision and acquisition of green skills and sustainable mobility**".	Energy efficiency, green skills, sustainable mobility	Benchmarking Enabling	EXP

Year	In recitals (A) or recommendations (B)	Text	Type of measure mentioned/recommended	Welfare state function	Explicit or implicit eco-social integration
	A	“Measures to improve the energy efficiency of buildings **need to be targeted**. Italy’s building stock has considerable energy efficiency potential, in particular with regard to the large share of old and energy-intensive buildings. Existing measures in the recovery and resilience plan could be complemented by measures such as **targeted incentive schemes to increase energy efficiency in worst-performing buildings**, including commercial buildings and public housing, while ensuring that **vulnerable households are reached** and avoiding regressive effects. These measures would benefit in particular small, medium and microenterprises that often lack the technical and financial capacity to improve their energy efficiency. The same measures **would also help reduce energy poverty**, which could be further tackled by other measures, for instance via **one-stop shops that provide personalised services for energy savings**. Energy efficiency gains would also benefit from an **increase in market surveillance on ecodesign and energy labelling**”.	Narrow targeting of incentives for renovations/energy efficiency Incentives for energy savings and energy efficiency	Benchmarking	EXP
	A	“**Labour and skills shortages** in sectors and occupations key for the green transition, including manufacturing, deployment and maintenance of net-zero technologies, are creating bottlenecks in the transition to a net-zero economy. **High-quality education and training systems** that respond to changing labour market needs and **targeted upskilling and reskilling measures** are key to reducing skills shortages and promoting labour inclusion and reallocation. To unlock untapped labour supply, these measures need to be accessible, in particular for individuals and in sectors and regions most affected by the green transition. In Italy, both high- and low-skilled occupations that are key for the green transition are affected by shortages. At the same time, training support often does not reach the workers most likely to be affected by the green transition. **The lack of green skills in the public sector, in particular at local level, is also holding back green investments**. Italy faces wide regional disparities that risk being exacerbated if local labour markets are not able to grasp the opportunities of the green transition. Moreover, boosting green skills, including for sustainable soil management, would be key in fighting the effects of climate change, in particular aggravated flooding and persistent droughts”.	Education and upskilling/reskilling for green transition	Enabling	EXP

Year	In recitals (A) or recommendations (B)	Text	Type of measure mentioned/recommended	Welfare state function	Explicit or implicit eco-social integration
	B	"**Wind down the energy support measures** in force by the end of 2023, using the related savings to reduce the government deficit. Should renewed energy price increases necessitate support measures, **ensure that these are targeted at protecting vulnerable households and firms, fiscally affordable, and preserve incentives for energy savings**".	Narrow targeting of incentives for renovations/energy efficiency	Benchmarking	IMP
	B	"Increase **energy efficiency in the residential and corporate sectors**, including through **better targeted incentive schemes**, addressing in particular the **most vulnerable households and the worst-performing buildings**".	Narrow targeting of incentives for renovations/energy efficiency	Benchmarking	IMP
	B	"Step up policy efforts aimed at the provision and acquisition of the **skills needed for the green transition**".	Upskilling/reskilling for green transition	Enabling	IMP
2024	A	"It continues to be important to promote **upskilling and reskilling**, including for the green transition, by increasing tertiary education attainment and the share of adults enrolled in training".	Upskilling/reskilling for green transition	Enabling	IMP

Analysis of CSRs to Germany

Year	In recitals (A) or recommendations (B)	Text	Type of measure mentioned/recommended	Welfare state function	Explicit or implicit eco-social integration
2019	**B**	"Focus investment-related economic policy on **education; research and innovation**; [...] **sustainable** transport as well as **energy networks and affordable housing**, taking into account **regional disparities**".	Investment-related economic policy on green and social areas	Benchmarking	IMP
2020	**B**	"Front-load mature **public investment projects and promote private investment** to foster the economic recovery. Focus investment on the green and digital transition, in particular on **sustainable transport, clean, efficient and integrated energy systems,** digital infrastructure and **skills**, housing, education and research and innovation".	Public and private investment in clean tech, infrastructure, transport, skills, and other social priorities	Benchmarking Enabling	IMP
2021 (adapted cycle)	***B***	*"Pay particular attention to the composition of public finances, both on the revenue and expenditure sides of the budget, and to the quality of budgetary measures, to ensure a sustainable and inclusive recovery. Prioritise **sustainable and growth-enhancing investment**, notably supporting the green and digital transition. Give priority to **fiscal structural reforms** that will help provide financing for public policy priorities and contribute to the long-term sustainability of public finances, including by **strengthening the coverage, adequacy, and sustainability of health and social protection systems for all**".*	*Fiscal policy to contain current expenditure and prioritise investment and social protection*	*Benchmarking Buffering*	*IMP*
2022	A	"…the fiscal response has to expand **public investment for the green and digital transition and energy security**, and sustain the purchasing power of the **most vulnerable households so as to cushion the impact of the energy price hike** and help limit inflationary pressures from second round effects via targeted and temporary measures".	Investment in green transition and energy security, cushioning for groups vulnerable to energy poverty	Benchmarking Buffering	EXP
	A	"The successful implementation of the Recovery and Resilience Facility and cohesion policy programmes also depends on the **removal of bottlenecks to investment to support the green and digital transition** and balanced territorial development".	Removal of barriers to private investment for transitions and balanced territorial development	Benchmarking	IMP
	A	"Action should also be taken to increase **energy efficiency** and reduce energy consumption, and to **accelerate decarbonisation of the building stock, and the transport sector,** which in 2021 failed to meet the annual national emission targets for these sectors. Greater uptake of **shared mobility and sustainable public transport** can reduce fossil fuel consumption".	Energy efficiency in housing and public transport	Benchmarking	IMP

Year	In recitals (A) or recommendations (B)	Text	Type of measure mentioned/recommended	Welfare state function	Explicit or implicit eco-social integration
2023	A	"**Labour and skills shortages in sectors and occupations key for the green transition**, including manufacturing, deployment and maintenance of net-zero technologies, are creating bottlenecks in the transition to a net-zero economy. **High-quality education and training systems that respond to changing labour market needs** and **targeted upskilling and reskilling measures** are key to reducing skills shortages and promoting labour inclusion and reallocation".	Education and upskilling/reskilling for green transition	Enabling	EXP
	A	"To unlock untapped labour supply, **these measures need to be accessible**, in particular for individuals and in sectors and regions most affected by the green transition. Improving the **education outcomes of disadvantaged groups** provides a better basis for continued education".	Accessibility of education / VET systems in sectors and regions most affected by green transition	Enabling	EXP
	A	"**Adult learning** is essential to tackle persistent skills shortages. [...] In addition, in energy-intensive industries, workers' participation in education and training [...] is below the EU average (8.9%). Promoting participation in **initial and continuous vocational education** and learning programmes to support the green transition would be in line with Germany's target of having 65% of adults in learning every year by 2030".	Adult learning and upskilling/reskilling for green transition	Enabling	EXP
	B	"Step up **energy efficiency efforts** in transport, building and industry, including through investments in heating systems and further **policy measures aimed at the provision and acquisition of the skills needed for the green transition**".	Upskilling/reskilling for green transition	Enabling	EXP
2024	A	"Increasing **research, development and innovation** in all regions, especially eastern regions, as well as supporting **education and training** to address the challenges posed by the green and digital transitions are key to further **narrowing disparities** in regional competitiveness and employment. This also requires the implementation of cohesion policy for the green and digital transition to continue in regions with high-performing sectors".	Education and upskilling/reskilling for transitions	Enabling	EXP
	A	"Germany could [...] support the development or manufacturing of critical technologies in digital technologies, **clean and resource efficient technologies**, and biotechnologies, as well as to address **shortages of labour and skills** in these sectors".	Education and upskilling/reskilling for green transition	Enabling	EXP

Year	In recitals (A) or recommendations (B)	Text	Type of measure mentioned/recommended	Welfare state function	Explicit or implicit eco-social integration
	A	“It is also necessary to continue **green investments in energy efficiency** and renewable energies, climate change adaptation and carbon footprint. Business development and support for businesses, particularly SMEs, remain pertinent. **Quality and inclusiveness of education**, training and lifelong learning, particularly for disadvantaged groups, are priorities, as are active inclusion and improving employability”.	Quality and inclusiveness of education and training in the context of green transition	Enabling	IMP

About the TransEuroWorkS project

TransEuroWorkS is a multi-disciplinary EU-funded research project that conducts analysis and policy recommendations for the future world of European work and social protection. It will provide new, more integrative understandings of how fundamental changes to the labour market and European context can be better and more proactively managed through national and European Union (EU) level social protection policies. At the centre of TransEuroWorkS are three critical structural labour market transformations: green transition and decarbonisation, technological change, and the internationalisation of the workforce. For more information, see https://transeuroworks.eu/.

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