



RENEWING EUROPEAN PROGRESSIVE LEADERSHIP IN CLIMATE, ENERGY AND INDUSTRY

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A MOMENT FOR RENEWAL

Preface by Nicolas Schmit

Recurrent, interconnected crises are testing our institutions, our solidarity and our confidence in the future. The conflicts in Ukraine and Iran, surging cost of living and energy prices, and the impacts of extreme weather all send a clear signal: our decisions about energy, industry and climate are not technical questions. They are political choices defining who controls the future and in whose interest it is shaped.

This moment in time gives progressives a clear mandate. The dysfunctions of our model – energy dependence, fragile supply chains, growth that concentrates wealth and destroys nature – have been exposed. Our citizens are asking for something better: affordable and reliable energy; decent and future-proof jobs; and communities resilient to shocks and protected from hazards.

The energy and climate transition provides the opportunity for a better future, if we lead it. Not just manage or defend it, but lead it. This means being honest about the disruption while demonstrating, concretely, that it is possible to handle it fairly. It means rebuilding public trust through better delivery, strong and capable institutions, and clear communication.

In upcoming elections, citizens across the European continent will be called to vote and will not only shape governments but the direction of our economies and societies for the critical decade ahead.

This occasion calls for a progressive renewal. While important foundations – from climate targets to regulatory frameworks – have been laid, ambition alone is not enough. A strong political will, supported by an innovative intellectual framework and an engaged social base, is needed. The progressive political family must put forward a coherent eco-social vision that weaves climate action, economic security and social protection into a single forward-looking project.

That is what this position paper is about. Drawing on years of analytical work and meaningful initiatives across Europe, it offers key insights into the political and economic dynamics of the transition and outlines practical pathways to reinvigorate leadership.

I recommend it to every progressive leader, at every level of government, in every country in Europe.

Nicolas Schmit
FEPS President

EXECUTIVE SUMMARY

Europe is living through a time of constant disruption: geopolitical and economic shocks; a cost-of-living crisis; and accelerating climate impacts. In this context, the climate and energy transition has too often been framed as a cost or a burden – by opponents, and sometimes by its own supporters. That framing is politically self-defeating and factually wrong.

Public support for climate action remains robust across Europe. But faith in the ability of institutions to deliver a fair and effective transition is weakening. A recent Europe-wide polling exercise found that more than nine in ten Europeans want energy sovereignty – but fewer than half believe that Europe is moving in the right direction. Citizens are not asking to be convinced that the transition is necessary. They are **asking to be shown** that it can be done competently, fairly and in their interest. Simply pointing out the climate urgency is not enough. Public trust and agency must be rebuilt through delivery. That requires honest acknowledgement of disruption alongside credible plans to manage it.

This paper sets out the analytical and political case for a renewed progressive leadership that weaves climate

action, economic security and social protection into a single, forward-looking project. It argues the following:

- **The transition is already underway**, lowering energy bills, creating jobs and strengthening industrial resilience. But progressive actors are not making this case loudly or concretely enough. Countering misinformation and reframing the narrative, from burden to benefit, is the first task of leadership.
- **A different kind of leadership is needed: collaborative; honest; and ambitious.** The transition cannot be delivered top-down. It must be co-designed with workers, communities and citizens. And it requires a state willing to act as a mission-driven investor, not merely a regulator – setting the direction, taking risks and ensuring the returns flow back to the public.
- **A concrete delivery agenda must follow.** Four priorities stand out: investing in people and skills; building security and protection from climate impacts; electrifying Europe's economy and its industrial base; and shaping markets to guide investment fairly and at scale.

1. THE POLITICAL DIAGNOSIS AND CASE FOR RENEWAL

PUBLIC SUPPORT IS REAL AND RESILIENT

Decades of activism, scientific communication, lived experience of extreme weather and two successive energy crises have built **durable awareness: the European public understands the need to act on climate and supports doing so.** Eurobarometer surveys consistently show high levels of public concern about climate change. A six-country European poll found that people support the transition, even if it comes with higher costs in the short term, with only a minimal share willing to prioritise cheap energy regardless of environmental impacts. Business leaders are equally clear: a recent global poll found that executives overwhelmingly favour a rapid transition to renewable power and a direct shift away from fossil fuels.

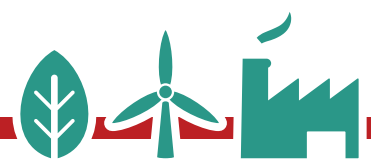
BUT TRUST IN INSTITUTIONS IS ERODING

While public support for climate action remains high, **faith in the ability of institutions to deliver a fair and effective transition is waning.** The recent European Pulse polling exercise crystallises the challenge precisely. More than nine in ten Europeans surveyed want energy sovereignty.

However, fewer than four in ten believe Europe is moving in the right direction. The analysts of the poll put it well: "a public that rejects the destination requires persuasion. A public that doubts the vehicle requires demonstration". The current situation is therefore a paradox: strong public support for the transition combined with deepening scepticism about the journey. The challenge for progressive climate leadership is not to slow the transition or soften its ambition. It is **to ensure that citizens experience the transition as restoring their agency, not removing it.** This requires an honest acknowledgement of the disruption, alongside credible plans to manage it.

THE CASE FOR A RENEWAL

The same conditions that have made climate politics difficult also create an opening. Europe has just lived through the second major energy price shock in four years. The geopolitical case for energy independence has never been more vivid: in the months following the outbreak of the conflict in Iran, European households have faced the prospect of average annual energy bills



rising by over €1,800 (from €3,792 to €5,688), according to the European Trade Union Confederation's analysis of the price shock. It is a kitchen-table issue, and the transition is increasingly its answer.

If the transition is pursued as a societal project – not merely as a policy or economic one – citizens, workers and communities can engage as participants rather than passive subjects. Securing public support is not optional; it is a precondition for the long-term political resilience of the transition. Citizens need to see themselves not only as beneficiaries but as co-creators of the clean future. Sharp U-turns and delays that accom-

modate slow movers penalise those who have already invested in more sustainable practices and lock everyone else into higher long-term costs, poorer health and greater vulnerability.

A transition that strengthens people's agency over their energy, jobs and communities is more likely to be durable and politically resilient than one imposed from above. This requires three key aspects to work in concert: a reframing of the public narrative; a genuinely collaborative and honest style of leadership; and a concrete delivery agenda with near-term, visible impact. The following sections address each in turn.

2. REFRAMING AND FACT-CHECKING: THE TRANSITION IS WELL UNDERWAY

DON'T GO QUIET ON CLIMATE

The first imperative is the simplest: do not stop talking about climate change. In parts of the world in 2025, leaders in civil society, companies and governments silenced themselves – out of fear of political retribution, or from a mistaken belief that climate had lost its salience. That silence was both inauthentic and strategically self-defeating. The public understands that climate change is a problem that needs to be solved. **Leaders who retreat from the argument cede the framing to their opponents without gaining anything in return.**

SHOW THE TRANSITION IS ALREADY HAPPENING

The narrative of cost and burden surrounding the transition persists partly because **the evidence of delivery is not being communicated effectively.** However, the reality is striking. Clean technology investment in Europe has tripled since the pandemic, according to Bruegel's European Clean Tech Tracker, and is already creating jobs. American investors, faced with regulatory uncertainty at home following the US policy reversal on the Inflation Reduction Act, are actively seeking green investment opportunities in Europe – a signal of genuine market confidence in the direction of the transition.

In the energy and automotive sectors, two industries at the heart of decarbonisation, a majority of workers are moving into occupations with rising demand, new responsibilities or enhanced skill profiles. These trends illustrate that decarbonisation is not just phasing out old roles, but it is generating a broad spectrum of new ones. Industrial decarbonisation projects are already in the pipeline

across Europe, tracked by the Mission Possible Partnership global project map. From the EU Emissions Trading System to due diligence requirements, businesses have publicly defended robust climate standards because they understand that clarity and ambition create the certainty needed to invest.

SHOW THE CONCRETE BENEFITS – STARTING WITH ENERGY

Energy is where the case for the transition is most immediate and most tangible. Energy independence is often discussed in geopolitical terms, and rightly so. But for households and businesses, it translates into something more immediate: the difference between predictable bills and volatile ones; between resilience and exposure.

Spain provides the clearest European evidence. With nearly 60% of electricity generation coming from renewables and only 15% of demand covered by fossil gas, Spain's energy bills have remained low during the Iran-related price shock, despite soaring European costs. This is not an accident of geography. It is the direct consequence of investment decisions, which significantly decreased the amount of time gas determined electricity prices, over just a few years. Progress is not limited to Southern Europe. In fact, countries in Central and Eastern Europe are front-runners in renewable energy deployment. Poland ranked second in EU offshore wind investment in 2023 and produces 60% of all lithium-ion batteries made in Europe. Hungary has the highest solar share in the EU (28%), and the share of wind and solar is above 20% in both Romania and Bulgaria.

Where governments have moved, the results have followed, and where they have been too slow, energy communities and decentralised systems – in villages, in regions, municipalities – are already shielding their

members from electricity price spikes while rewarding them for their investment. **The transition is not abstract; it means control being rebuilt in real time.**

3. A DIFFERENT KIND OF LEADERSHIP

The nature of the transition requires a different approach. Rather than being a bureaucratic default, **European cooperation constitutes a strategic advantage, as the challenges of the transition are inherently cross-border.** Progressives who make the case for European solidarity in energy, industry and investment are in stronger political territory than those who remain ambivalent about the European dimension.

COLLABORATION: THE TRANSITION CANNOT BE DELIVERED TOP-DOWN

The energy and industrial transition is not a top-down project: governments cannot deliver it alone. It depends on cities and regions, on businesses, on workers, and on citizens themselves. It requires the **active involvement of all levels of governance and all parts of society – not as a procedural nicety, but as a practical necessity.**

The evidence base for participatory governance in the transition is strong. Addressing citizens' concerns and promoting local stakeholder participation consistently emerge as key factors in securing durable public acceptance. Local climate PACTs, Climate City Contracts and climate assemblies have demonstrated how collaboration between municipalities, businesses, civil society and citizens produces both better-designed policy and greater democratic legitimacy.

HONESTY: ACKNOWLEDGE THE DISRUPTION, OWN THE RESPONSE

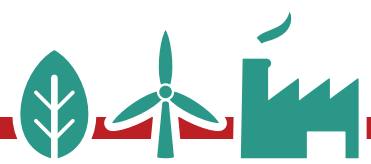
As with every societal transformation, the clean transition will not happen overnight, and it will not automatically deliver equitable benefits. It will create new opportunities, but some sectors, regions and workers will face real disruption. Climate impacts will intensify, and they will hit hardest those who can least afford to absorb them. **Addressing this challenge in advance and ensuring tangible support to and developing perspectives for lower-income households, affected workers and communities is not a burden, but a precondition for lasting public support.** Addressing long-standing inequalities is necessary for a durable transition.

If these realities are not acknowledged, credibility is lost. If they are not actively managed, political support will erode. The key argument is that the disruption is real, but its outcomes depend on policy choices. The risks of the transition are not predetermined; they are the result of choices, particularly in industrial strategy, labour market planning and social protection. The real political risk is not the transition itself but failing to organise it. An honest progressive leadership therefore commits not just to ambition on targets but to credibility on delivery. It acknowledges that, in EU industry alone, 500 jobs are currently threatened daily during restructuring and that this demands a proactive rather than reactive response.

EUROPEAN COOPERATION: A STRATEGIC ASSET

European cooperation is not a constraint on national ambition; it is the condition that makes ambition possible at scale. The challenges of the transition are inherently cross-border: energy market design; industrial decarbonisation; key infrastructure and grid interconnection; critical raw material supply chains; and skills and labour mobility. No single member state can address these at the speed or scale required, when acting alone. The Draghi report diagnosis applies directly here: Europe's chronic underperformance on investment and productivity has structural causes that only coordinated European action can resolve. **Politically, the European project has rarely been as directly relevant to citizens' everyday concerns as it is now.** These are European problems requiring European solutions and progressive leaders should say so plainly. The connection between European energy market integration and household energy bills is also demonstrable and direct. The connection between the European industrial strategy and the sustainability of jobs in the automotive, steel and chemicals sectors is equally concrete.

The task, therefore, is not to defend European institutions in the abstract, but to make them deliver concretely. **New forms of cooperation are already emerging.** The North Seas Energy Cooperation – bringing together governments, offshore wind developers and grid operators – and the First Movers Coalition show how cross-border



coordination can unlock investment at scale. The [Lead Markets Initiative](#) demonstrates that, when public and private champions align around well-defined projects on green steel, sustainable construction materials, or clean transport, progress can be both fast and tangible. These are not marginal experiments. They are templates for the next phase of European industrial strategy.

AMBITION: THE STATE AS A MISSION-DRIVEN ACTOR

Honesty about disruption must be matched by ambition about what the public sector can and should achieve. The intellectual case for this has been made compellingly by economists like Mariana Mazzucato: the state is not merely a regulator or a safety net. At its best, it is a [mission-driven investor that shapes markets, takes risks that the private sector will not and directs innovation toward public goals](#).

This tradition has deep roots in European history – from post-war reconstruction to the creation of the EU Single Market. But it has too often been pursued hesitantly, apologetically or at insufficient scale and with an ever-shrinking number of public servants. Mazzucato's challenge to the progressive movement is to govern without timidity: **to set bold public missions – clean energy, affordable housing, healthy ecosystems – and then use the full toolkit of the state to pursue them.** This means directing public procurement, co-investing in high-risk innovation, setting standards that pull markets in the right direction and ensuring that the returns on public investment flow back to the public. The energy transition is precisely the kind of challenge that demands this approach.

4. AN AGENDA FOR DELIVERY

INVEST IN PEOPLE

The industrial transformation is already underway, but the systems to support workers are not keeping pace. **A growing structural mismatch between existing skills and those required for the transition is fast becoming one of the primary bottlenecks to delivery.** In the energy sector alone, Europe is expected to require an additional [145,000 workers by 2030](#), according to the French Institute of International Relations (IFRI) analysis. The overall transition labour gap is far larger.

This gap is not inevitable. It reflects insufficient forward planning and chronic underinvestment in reskilling and upskilling strategies. Some companies and regions are already demonstrating what is possible: joint training centres; sectoral skills partnerships; and local green academies co-designed with trade unions and employers. But these remain islands of good practice in a landscape that lacks scale and coordination.

A progressive delivery agenda must include the following: multi-year national reskilling plans co-designed with unions and employers; targeted investment in the regions facing the most concentrated industrial restructuring; and a European skills framework that allows workers to move into growing sectors without sacrificing income or security. The International Energy Agency has estimated that roughly [half of the workers at risk](#) of redundancy in the fossil fuel sector have skills that can transfer to

the clean energy sector with targeted retraining, in some cases with as little as four weeks of additional training. **The policies needed are known; the question is whether the investment follows.**

BUILD CLIMATE RESILIENCE AND SECURITY

Despite growing evidence of climate risks – floods, wildfires, extreme heat, drought – most European countries remain underprepared. Progress on managing and adapting to these risks is uneven and too slow. **Climate resilience must become a mainstream pillar of the progressive social protection offer, not a technical annex to environmental policy.** Leaders at all levels need to demonstrate concretely how they are protecting people and businesses from climate impacts: how they are anticipating risk, informing citizens, investing in physical and community resilience, and financing adaptation for those who cannot afford it themselves.

Security also means confronting the everyday realities that define people's sense of stability. The ongoing housing crisis continues to push middle-income households into financial vulnerability. Heating represents the largest share of household energy consumption, yet the shift away from fossil fuels remains out of reach for many due to high upfront costs and structural barriers, such as tenure. Security can be found in access to affordable housing, as well as energy, quality jobs, reliable public services and resilience. These are the foundations

that allow citizens to navigate change with confidence. Ignoring them – in addition to heightening the impacts of climate hazards – risks deepening social frustration, fuelling political backlash and ultimately undermining the climate transition itself.

ELECTRIFY – AND REMOVE THE BOTTLENECKS

Electrification is the backbone of a competitive, decarbonised European economy. It is **the most efficient pathway to reduce dependence on volatile fossil fuel markets for industry, buildings and transport, and the most direct route to delivering the energy sovereignty that European citizens are demanding**. Europe has just entered its second major energy crisis in four years. There is no political understanding available if the continent fails to prepare for a third. The pathway forward is well-established in European industrial strategy – the challenge now is to accelerate ambition and pace fairly.

A comprehensive electrification agenda must address all four elements of the system in parallel:

- **Demand-side transformation:** accelerating building renovations; energy-efficiency upgrades; electrification of heating; and the shift to public and electric transport. After decades of steady progress, momentum on energy efficiency has stalled at around 1% annual improvement, half the pace of the previous decade and far below the 4% needed to meet our goals. Reversing this slowdown is one of the most immediate and cost-effective ways to improve lives while advancing the transition.
- **Supply-side build-out:** scaling renewable energy deployment at the pace required, with permitting reforms to remove administrative bottlenecks. This must be paired with the building out of European clean technology supply chains in strategic segments, so that the industrial value of the transition is captured.
- **Industrial electrification:** creating demand for low-carbon steel, cement and clean industrial products through procurement, lead markets and the EU Clean Industrial Deal. Direct electrification can decarbonise an estimated 90% of remaining industrial energy demand – but it has been stifled by high electricity costs, grid connection bottlenecks, and insufficient demand and regulatory clarity.
- **Grid modernisation:** unlocking the bottleneck that is already blocking ready-to-go industrial projects across Europe. Many new industrial investments are queued and waiting for grid connections. More independent, transparent, strategic grid planning, with a

coordinated European road map for a genuinely integrated energy market, is not a technical detail. It is the difference between a transition that delivers and one that stalls.

Well-designed policies can manage short-term distributional pressures, provided their impacts are assessed and offset with the right measures. Effective and coherent policy packages can protect vulnerable households and workers while ensuring that the costs and benefits of climate action are shared fairly across society. Electrification is a political choice about how Europe organises its energy system and who benefits from it. Progressive leaders should own that choice.

SHAPE MARKETS, GUIDE INVESTMENT

Every element of the delivery agenda above requires investment – public and private, European and national. Private investment will follow clear, consistent, long-term signals. But it will not lead. **The public sector must set the direction with a predictable and reliable policy framework, de-risk early investments, and ensure that benefits flow to communities and workers rather than accruing exclusively to capital.**

Multi-year planning must be genuinely investable: aligned with industrial strategy; backed by public finance instruments; and designed to crowd-in private capital. Market-shaping tools – green public procurement, lead markets for clean materials, standards that drive demand, preferential access for low-carbon construction materials – are how governments shift the entire direction of private investment. By providing clarity and consistency, governments can ensure long-term investments from the private sector.

The question of who pays for the transition is inseparable from the question of whether it is politically durable. The costs of the transition must be distributed fairly. This means ensuring that the wealthiest households and corporations bear their share and that the revenues generated by climate policy, from carbon pricing to wind-fall taxes on energy producers, are recycled visibly into social protection and community investment. An investment plan that works for people is not just about scale. It is about governance: **transparent; participatory; and accountable to the communities it is meant to serve.**



5. CONCLUSION: A MOMENT FOR PROGRESSIVE LEADERSHIP

We are not starting from zero. Europe has the public support, technologies, industrial momentum and institutional architecture to lead the transition. What has been missing is a coherent, confident progressive political project that brings these elements together into a vision citizens can believe in and participate in.

The shift required is not primarily technical. It is political. It requires moving from:

- Emphasising necessity to demonstrating delivery;
- Long-term ambition to near-term, tangible impact;
- Abstract goals to visible improvements in people's lives; and
- Managing the transition to leading it.

The political window is open. The next few years offer political forces the opportunity to put forward the most coherent and compelling eco-social programme in a generation, one that addresses the twin crises of climate change and inequality, that rebuilds trust in institutions through delivery, and that offers citizens not just a safer future but greater agency in shaping it.

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AI USE DISCLOSURE STATEMENT

AI softwares were used in the late stage of the writing process to carry out light-touch copyediting and proofreading.

ABOUT FEPS

The Foundation for European Progressive Studies (FEPS) is the think tank of the progressive political family at EU level. Its mission is to develop innovative research, policy advice, training and debates to inspire and inform progressive politics and policies across Europe.

FEPS works in close partnership with its 77 members and other partners -including renowned universities, scholars, policymakers and activists-, forging connections among stakeholders from the world of politics, academia and civil society at local, regional, national, European and global levels.

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ABOUT FES JUST CLIMATE

In 2021 the Friedrich-Ebert-Stiftung launched its competence center for Climate and Social Justice, based in Brussels. Climate and social policies must be two sides of the same European coin in the future. We need to develop climate-neutral energy systems and industries. Simultaneously, we need to safeguard and strengthen the welfare state, local participation and workers' rights.

FES Just Climate acts as a think tank about current and coming trends, and a policy advisor in ongoing debates. We support FES offices and their partners in shaping the industrial revolution of our times. We focus on energy, industrial, structural and labor policies, and the European Green Deal.



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ABOUT E3G

E3G is an independent think tank working to deliver a safe climate for all. We drive systemic action on climate by identifying barriers and constructing coalitions to advance the solutions needed. We create spaces for honest dialogue, and help guide governments, businesses and the public on how to deliver change at the pace the planet demands.



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