MERGE

Workshop Summary

"Measuring what matters: Sustainable and Inclusive wellbeing metrics in the Clean Industrial Deal"

Building economies that deliver wellbeing for all—now and in the future—requires complex tools. In this context, MERGE, a Horizon Europe-funded project, aims to connect science and policy by developing indicators and models that can support sustainable and inclusive wellbeing policies. On March 26th, 2025, participants from EU institutions along with experts in the field, gathered to discuss the challenges and opportunities of integrating Inclusive Well-being (SIW) metrics into the Clean Industrial Deal (CID) and the European Green Deal (EGD) monitoring frameworks. They reflected on questions such as **"How can socio-ecological and wellbeing dimensions be better integrated into EGD and CID frameworks to ensure a just and inclusive transition?" and "How can we streamline the EGD and CID frameworks for monitoring and addressing data gaps?**

Key takeaways: Challenges and Opportunities

Challenges

Misalignment between EGD and CID broad goals. The CID focuses on industrial competitiveness and firm-level data, while the EGD emphasises broader environmental and social goals, making integrating of SIW metrics more complex.

Lack of entry points for SIW indicators in the CID framework. With limited mechanisms in CID to measure social impacts beyond jobs and skills some important components such as social protection and access to sustainable essential services is missing.

Data Gaps and methodological issues. Reliance on existing self-reported data limits insight into important social and environmental factors. This may lead to incomplete and inconsistent results.

Reporting burden on member state authorities. Lack of sufficient resources and skills, especially at the local level, make it difficult to implement effective and detailed reporting frameworks.

Opportunities

Exploring flexibilities of the CID monitoring framework. Building on existing datasets such as Social Scoreboard and EU SILC Survey, adding needed KPIs also utilising tools such as EU Just Transition Observatory can open pathways to incorporating SIW metrics.

Use of evidence based, people cantered narratives. Including SIW metrics can support and strengthen policy narratives around fairness and inclusivity.

This can help mitigating public concerns and highlighting benefits of green policies.

Using innovative data collection methods. Improving processes for data collection and integration through emerging tools such as AI and open-source and business data, can provide more granular insights without significantly increasing reporting burden.

Key discussion points

Challenges in integrating SIW indicators into the EGD and the CID

1. Misalignment between EGD and CID broad goals

The CID is the primary initiative of the new Commission to guide EU efforts towards decarbonisation, directly aligning with the Green Deal's objective of achieving carbon neutrality by 2050. However, in practice, the CID prioritises industrial strategy over environmental strategy. While the EGD's goals are broad, focusing on high-level objectives with indicators reported at the Member State or EU level, the CID is more focused on business support and uses firm-level indicators to track progress. Moreover, as the CID is still in its early stages, key aspects, such as final assessment mechanisms, remain undefined. Although each policy has its own specific focus, and it is neither feasible nor appropriate for all policies to monitor everything at all times, it remains valuable to reflect on how effectively these two frameworks could work together to offer a holistic view of the green transition.

2. Identifying Entry Points for SIW indicators in the CID framework

One of the main challenges highlighted during the workshop for integrating SIW into the CID was the difficulty to find entry points for SIW indicators. The CID has been primarily framed as an initiative focused on industrial growth, aimed at benefiting sectors heavily impacted by the green transition, such as the automotive industry. However, this approach does not emphasise effects on the well-being of people, nor does it consider their needs directly. The assumption that the CID's strategy of decarbonisation will automatically lead to improved well-being or will not have any impact on it can be questioned. For example, while material use and extraction are part of the environmental protection logic of the circular economy, they also bring significant challenges in terms of emissions and water use, which could harm rather than benefit well-being.

While the CID mentions the concept of a just transition, it lacks clear indicators to measure its social impacts. The social focus within the CID currently centres on jobs and skills, which is a crucial element but still incomplete. A key missing aspect is creating the conditions required for a just transition, such as social protection and access to sustainable essential services. These factors are essential for ensuring that the transition benefits all, not just specific industries.

3. Data Gaps and methodological issues

EU monitoring frameworks are generally built in three stages: first, by prioritising using existing data; second, by combining different datasets; and third, by seeking additional data sources, for example from businesses or open data agreements with third parties. Prioritising existing data, while aimed at reducing reporting burdens and improving harmonisation, has significant limitations. It restricts the available data pool, making it harder to address gaps in social and environmental indicators, particularly in areas like just transition and qualitative social factors, such as the number of jobs in combustion versus renewable energy or the quality of training programmes.

This gap is compounded by the fact that many indicators are self-reported, which can sometimes yield results that contradict findings from other data sources. For example, businesses may report skills mismatches in ways that don't align with independent assessments.

Additionally, there is a lack of disaggregation in the data, making it difficult to analyse disparities at local, regional, or sectoral levels. Bridging this gap is difficult, as the level of disaggregation possible depends on the indicator's methodology and the agreements made with Member States about how to collect and report data.

4. Reporting burden on member state authorities

When attempting to fill these gaps, it's essential to consider the reporting burden placed on various levels of governance. As monitoring responsibilities are delegated from the EU to Member States, regions, and cities, these local entities often lack the resources, skills, and personnel necessary to carry out effective monitoring.

Opportunities in integrating SIW indicators into the EGD and the CID

1. Exploring flexibilities of the CID monitoring framework

Several opportunities exist within the Clean Industrial Deal to integrate SIW indicators, ensuring it meets its goal of sustainable prosperity. First, the proposal highlights the single market and competitiveness scoreboard, which includes eco-social indicators related to the green transition, such as energy poverty and eco-labels, that could impact people's daily lives. Second, the CID envisions the creation of an EU Just Transition Observatory, offering a platform for further SIW integration. Finally, the CID communication allows for the addition of new KPIs, providing flexibility to incorporate SIW measures into the existing framework. The EU has extensive good-quality data to choose from. For example, to assess the quality of jobs created by the green transition, it could be possible to draw from the Social Scoreboard which has measures on the types of contracts, wages and work-life balance. This data mainly comes from the EU-SILC survey, which could be further expanded with standardised questions to cover data gaps in areas that are relevant across many

policies such as the issue of just transition. Further studying data gaps and especially uncovering how are these gaps correlated among the systems of indicators, could provide insights into how to solve them efficiently.

2. Use of evidence based- people cantered narratives

Adopting a more people-centered approach, with indicators on sustainable and inclusive well-being can provide an evidence base to help support more positive narratives around the transition and decrease social backlash. EU citizens are concerned about climate change and are asking for more action. But they are also concerned about the costs of the green transition for their daily lives. Through a more comprehensive set of indicators, focused on the daily realities of citizens, the EU could showcase both progress in environmental protection and answer to concerns about inequities and social impacts. By clearly linking policy outcomes to improved well-being, these metrics can help garner public support, help highlight social inequalities that need to be addressed and ensure that the benefits of the green transition are widely shared.

3. Using innovative data collection methods

Existing efforts by the European Commission to access new data sources, such as open-source data, business data, and tools like artificial intelligence, could open new avenues for more comprehensive and granular datasets without adding to the existing reporting burden. However, the implications of relying on such data should be carefully considered, as non-traditional data also raises ethical and environmental concerns.

Building on existing data and uncovering new sources will require continued efforts to enhance digitalisation, interoperability, and institutional collaboration. One way to avoid unnecessarily increasing the reporting burden is to focus on capturing the diversity of situations through targeted data collection, without imposing reporting requirements across all of Europe

Conclusion

Incorporating SIW indicators into the European Green Deal and Clean Industrial Deal presents both challenges and opportunities. While there are gaps in data and the risk of increasing reporting burdens, leveraging existing datasets, exploring new data sources, and improving integration processes can help fill these gaps. By identifying entry points for SIW indicators and focusing on people-centered approaches, these frameworks can work together to provide a holistic view of the green transition. This integration can support evidence-based narratives, ensure social inclusivity, and enhance public support for a just and sustainable transition.

Follow-Up Actions: To follow up on this workshop an online science-policy dialogue will be organised. This will be an opportunity to bridge the gap between the political and scientific domains.

MERGE

Measuring what matters – policy pathways to sustainable and inclusive wellbeing

mergeproject.eu

Funded by the European Union in the framework of the Horizon Europe Research and Innovation Programme under grant agreement N° 101132524.

This work was funded by UK Research and Innovation (UKRI) under the UK government's Horizon Europe funding guarantee [grant number 10092245, 10099476, 10112986].

Funded by the European Union

UK Research and Innovation