



European Trade Union Confederation [ETUC]
Confédération européenne des syndicats [CES]

Some highlights on recent ETUC positions on climate, energy and industrial policies

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Towards Durban COP17

A situation that's unsustainable in Europe and globally:

- **Economic:** a banking system that still does not work and does not guarantee the necessary investment. On the contrary, it promotes speculation
- **Social:** a very high rate of unemployment - 2010 saw the highest unemployment rates worldwide (23 million in Europe: 1/5 of young people on average, up to 45% of young Spaniards) – ½ of workers worldwide working in precarious employment. We are facing a lost generation. Environmental damage is exacerbating social inequalities among the different regions of the world and within them. We have major skills gaps crippling key industries.
- **Environmental:** While Copenhagen and Cancun led the 2 biggest emitters of greenhouse gases towards the 2020 commitments, the global plans remain too weak. They do not even offer a chance of avoiding a 2°C increase by 2100 (IPCC recommendation). We are on the way to a global warming of more than 4°C, with all the threats to biodiversity, human development and increased conflict which that entails.



For a sustainable new deal !

- Faced with the current situation, the only response of most European governments is to adopt **austerity measures** which will cause rising unemployment, will affect social solidarity and growth and will undermine Europe's ability to contribute effectively and equitably to the fight against climate change and for social progress worldwide.
- The European Union must put in place **a real sustainable development strategy which**
 - Protects the recovery and avoids a new recession in Europe
 - Guarantees a just transition
 - Creates millions of green, sustainable and decent jobs through Just Transition
 - Makes a fair and effective contribution to both
 - the global fight against climate change and
 - the fight against social inequalities



The international climate negotiations

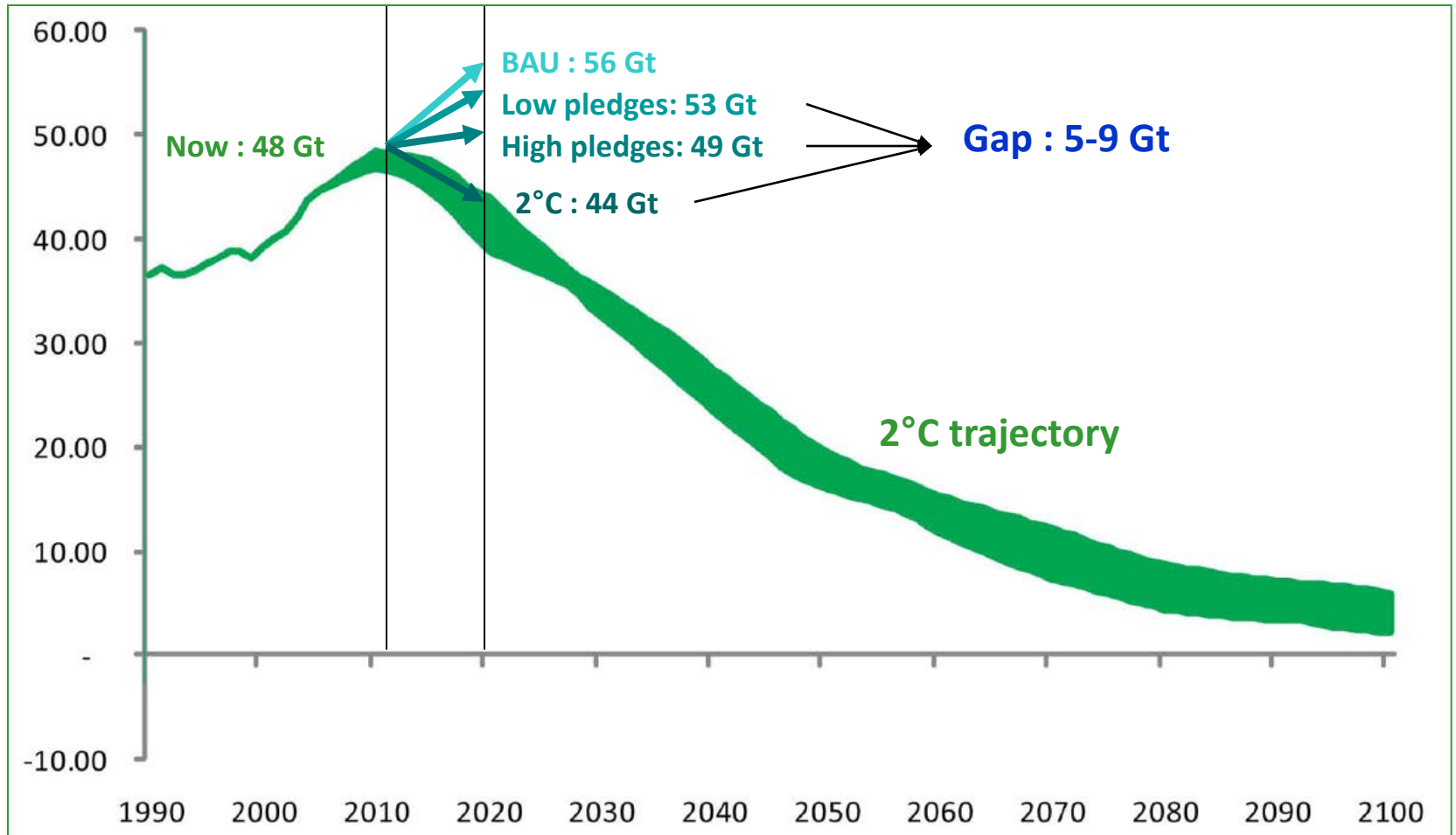
The Cancun agreement includes objectives and actions to reduce emissions at the country level.

However, they are based on the Copenhagen process that uses a "pledge and review" where developed countries commit to reduce emissions voluntarily. This process, which unions oppose, reduces emissions estimated 13 to 17% by 2020 (based on year 1990)

A UNEP report "The Emissions Gap: Are the Copenhagen Accord Pledges sufficient to Limit Global Warming to 2 ° C or 1.5 ° C?" has shown that these commitments are insufficient



The emission gap



Source : UNEP gap report

What role for Durban COP17?

- For the ETUC, it is possible to meet both social objectives and the environmental requirements, including the need to reduce greenhouse gas emissions.
 - The ETUC is still calling for a binding, ambitious and comprehensive international agreement to limit the global rise in temperatures to a maximum of 2°C in accordance with the scenarios laid down by the IPCC, reducing emissions by at least 25 to 40% by 2020 compared to the 1990 levels and 80-95% by 2050 in the industrialised countries, while ensuring a just transition.
- Today, we note 3 key factors in achieving this demand:
 - Financing
 - A just transition
 - The objectives for reducing domestic emissions
- Each of these factors has an international and European dimension



The financial challenges

For Europe : The European Commission estimates that investments of €270 billion/year will be needed to achieve a 80 to 95% reduction in emissions in Europe by 2050 (1.5% of GDP in additional investments at the current level of economic investment (i.e. 19% GDP)). German government estimates put the economic investment needed to achieve -30% emissions by 2020 at 22% of GDP.

Internationally:

- The Stern report (2006): 1% of global GDP for the additional investments
- UNEP (2011): US\$1.05-\$2.59 trillion a year
- IEA: US\$46 trillion or US\$750 billion a year between 2010-2030 and US\$1.6 trillion a year between 2030-2050
- *Bloomberg New Energy Finance* (2010): additional investments in clean energy of US\$500 billion a year from 2020 to achieve 2°C by 2100.
- McKinsey (2008): €500-€1,100 billion in 2030

In comparison:

- in 2009, US\$312 billion in subsidies for fossil fuels and US\$57 billion towards renewable energies;
- according to IMF, US\$9.2 trillion by rich economies to banks during the crisis; US\$1.6 trillion by emerging economies



Release significant funds in aid of this development strategy !

- **Mobilising and consolidating existing financial resources**, including: the general budget of the EU, the European Recovery Plan, the Structural Funds within the framework of the European Cohesion Programme 2007-2013, the European Investment Bank, the European Bank for Reconstruction and Development
- **Reforming the system of governance of the fund**, among other things by making adherence to the principles and agreements in regard to social matters (fundamental rights of the ILO, human rights, etc.) and to the principles and agreements in regard to the environment a prerequisite to obtaining funding for projects
- Turning to **new and innovative sources of financing**, such as a tax on financial transactions, Eurobonds, and releasing **private capital investments**
- Sending out a **price signal** through a European carbon tax (subject to certain conditions)
- Internationally, **the Green Investment Fund** (set up in Copenhagen) should be started up immediately – with US\$100 billion a year by 2020, and should be supplementary to the existing obligations for international development (*ODA*). In Durban, Europe should commit funds, one third of the total amount needed.



Sending out the right economic signals

Sending out a price signal, which could take the form of a tax on CO₂, subject to conditions being met:

- Making any tax on CO₂ part of an environmental strategy designed to send out a price signal rather than making it part of a budgetary approach;
- Broadening the tax base to energy;
- Reviewing the ETS system;
- Not applying the tax to the sectors already covered by the ETS and avoiding double taxation;
- Setting up a European regulatory body;
- Providing alternatives at affordable prices: efficient and regular public transport; low-energy housing, etc.;
- Adopting targeted compensation measures, sector by sector;
- Including social and environmental criteria in the decision-making processes of all public authorities;
- Using the revenue fully and transparently to fund internal investment measures aimed at reducing emissions, to assist developing countries with climate issues and to fund compensation measures for low-income households.



The just transition

For the ETUC, the 5 mainstays of a just transition to a low-carbon European economy are:

- **Dialogue** between governments and key stakeholders, including the social partners
- **Green and decent jobs** through **investments** in (new) low-carbon technologies, R&D and innovation – supported by consistent and coordinated industrial policies
- **Green qualifications through active government training strategies**, helping to move towards a low-carbon economy
- **Respect for human rights and workers' rights**: democratic decision-making and respect for these rights are essential to ensuring a fair accommodation of the interests of workers and communities at all levels
- **Strong and effective social protection systems**





The Cancun agreement

In the Chapter entitled “A shared vision for long-term cooperative action,” the Conference of the Parties

« realizes that addressing climate change requires a paradigm shift towards building a low-carbon society that offers substantial opportunities and ensures continued high growth and sustainable development, based on innovative technologies and more sustainable production and consumption and lifestyles, while ensuring a just transition of the workforce that creates decent work and quality jobs ; »

It is now time for the EU to implement this !

Jobs must be central to policy

- For the ETUC, all sectors have a role to play (ETUC Studies 2007/2009)
- Green jobs cover a wide range of occupational profiles, skills and qualifications. Some are new types of employment but most build on traditional jobs with modified skills and content.
- Even in the case of new industries and technologies (wind and solar power), the value chains consist mainly of traditional industries
- The potential for green jobs exists in the whole of the labour market.
- Achieving that potential will depend very heavily on the will of the public authorities regarding employment and industrial policy



More precarious work cannot produce sustainable green jobs

- **Growing precariousness of work in Europe is increasing the difficulty of ensuring management and anticipation of change**
- Better compensated jobs tend to be of better quality: wages are not the enemy!
- Improved competitiveness can and should be reached by other means than by lowering wages: R&D and innovations and their financing; energy efficiency; industrial policies; technological platforms
- Greening => improvements of energy efficiency => decrease in energy bills => improvement of productivity => decrease of ULC=> better competitiveness
- Increasing job quality => increasing jobs satisfaction => increases of productivity=> better competitiveness



Embark on the course of green growth to help maintain and create quality jobs and contribute to social progress, across the whole economy

- **Setting up a European agency**, in which the social partners would be represented, responsible for setting benchmarks based on the best available technologies and the **carbon traceability** of all products;
- Preventing speculation in prices and over-erratic fluctuations by **revising the ETS system**;
- Laying down social and environmental **quality requirements** for projects that qualify for credits from the CDM and JI;
- Encouraging **coordinated global R&D initiatives**;
- **Improving European governance**



Embark on the course of green growth to help maintain and create quality jobs and contribute to social progress, across the whole economy

- Strengthening **state control**, in order to make any measure aimed at promoting any policy whatsoever inseparable from compliance with labour legislation
- Strengthening means of tax coordination and transparency to **avoid social dumping** in Europe
- Implementing a **strong public investment policy**
- Guaranteeing the **transparency, consistency and complementary nature of these public policies**, all of which should contribute to achieving sustainable development objectives
- Adopting measures to protect the real economy from the excesses of **financialisation** of the globalised European economies (and short-term thinking)



Ensuring a just transition

- Setting up an **international fund** and a **European fund**
 - To facilitate R&D and the **development of low-carbon emission technologies**,
 - To promote **the transfer of technologies** based on energy efficiency and renewable energies in the developing countries,
 - To promote the implementation **of employment policies based on social protection, the promotion of decent work and public services.**
- Adopting a **transition strategy for the energy-intensive sectors** to avoid carbon leakage and to encourage investments in them that contribute both to better environmental protection and to the preservation of quality jobs in those sectors;
- **Creating links** to help workers in shrinking sectors/companies to find jobs in expanding sectors/companies;
- **Ensuring, promoting and supporting the instruments of social dialogue, negotiation and collective agreements at all levels (European, national, regional, sectoral, company, ...), which are essential to achieve the green and sustainable growth**
- **Creating a European framework** (including co-ordinating the existing instruments such as sector councils) to anticipate economic and social transitions and associated occupations, to promote the greening of the economy as an opportunity to strengthen gender equality in the labor market, and ensure the reform of education systems and training accordingly



To ensure financing and just transition : the domestic objectives

Today, we need an increase in the political 'leadership' to ensure a breakthrough in Durban (and Rio +20)

Europe has played this role in the past and must use a New Sustainable Deal based on a domestic goal to ensure greater certainty for investors and European industry

We should not focus on 2020 but look at the longer-term as the European Commission presented in the Roadmap in 2050 (March 2011):

2020: 25-30%

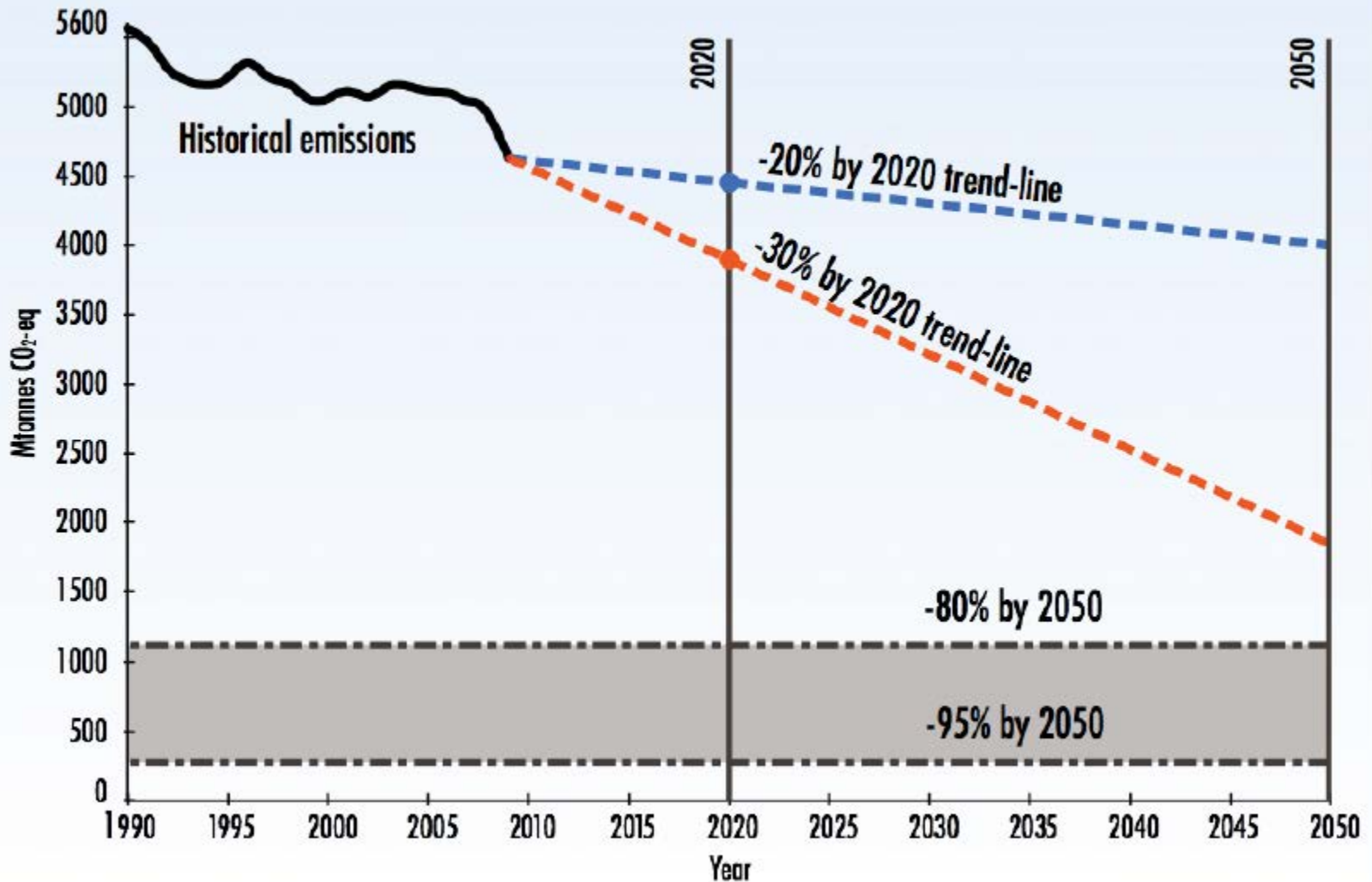
2030: 40%

2040: 60%

2050: 80% (over 15% work outside of Europe) = 95%



Do not forget the long-term pathway...



The need for more climate action will not go away!



Increase energy savings and energy efficiency

➤ Reduce primary energy consumption in Europe by at least 20% over the next decade

=>Set a binding target at EU level for each Member State

=>reorient structural funds, the allocation policy of the EIB, and the use of revenues from the auctioning of emission rights, launch Eurobond => financial base for energy savings

=>Set minimum requirements for energy efficiency systems and equipment for heating and air conditioning

=>Integrate social and environmental criteria in public procurement, and incorporate energy efficiency



Increase energy savings and energy efficiency

- **Promote energy efficiency in the workplace and their greening** (Workplaces account for 1/5 of GHG emissions, changing workplace attitudes means engaging with workers, engaging with corporate/workplace strategy but has the added benefit of changing behaviour outside the workplace).
 - By giving new rights and wider trade union representatives in the protection of health and the environment
 - By supporting their initiatives, including through the provision of relevant training and qualifications
 - By properly handling skills and green jobs in the social dialogue, considering that the development of a low carbon economy will be based, mainly on improving existing skills rather than specialized green skills



Launch the third European industrial revolution

base it on :

- green , sustainable and decent jobs
- massive investment in lower carbon emissions technologies, generating sustainable employment for current and future generations in Europe.

=>dynamics of industrial coordination that will transcend divisions within Europe and the perverse effects of the requirements of short-term profitability of industrial investments.

=>significantly increased effort in R & D to achieve technological, organizational and societal breakthroughs, transforming the carbon constraint into an asset for businesses.

=>Dialogue between public authorities, businesses and trade unions at European, national, ...levels

=>Education, training, ...



Energy and industry

Energy prices = important input => ensure competitive energy bills by:

- **regulation:** control prices so as to ensure a return on investment that reflects the costs and avoiding excessive profits
- **Policies and incentives for investment** that allows the improvement of energy efficiency => lower volumes of energy => lower energy bills
- **Policies and measures supporting the development of combined heat and power facilities, as well as access to energy resources and to dedicated decentralized power generation units, given the shortcomings of the liberalization**



Launch an industrial transformation programme

Support companies that:

- Implement solutions with low CO2 emissions based on best available technologies
- Reduce their energy needs and consequently their energy bills and their greenhouse gas emissions
- Maintain their competitiveness as a result
- Invest in R & D in sustainable technologies
- Invest in training programs for workers to adapt their skills to technological changes
- Create jobs and new and quality services contributing to sustainable development

Ensure legal certainty for investors and develop a strategy to guarantee the needed investments associated with transition technologies, such as clean coal and carbone capture and storage.

Better address the implications for coal-dpendent areas



Energy and the building sector

- ✓ Implement a transformation program for the entire European building infrastructure in order to reduce energy consumption for heating and air conditioning, providing targeted support to people living in poverty and promoting dense cities.
- ✓ Learn from the German alliance for jobs and the environment
- ✓ Promote social dialogue, negotiation and collective agreements, to create quality jobs in the sectors concerned
- ✓ Establish a European minimum standard specifying that all new homes to be passive or energy positive by 2015
- ✓ Extend the Directive on the energy efficiency of buildings, which sets minimum standards for new buildings from 2020 - to existing buildings



Energy and mobility

- ✓ Invest in improving the efficiency of internal combustion engines
- ✓ Invest in public transport
- ✓ Promote public investment in new network technologies to ensure that the rail and road electrification contributes effectively to reducing emissions
- ✓ Promote carpooling
- ✓ Create a transport network that would give priority to projects related to prevention of climate change (rail, waterways)
- ✓ study the possibility of financing these projects by a new tax on shipping tonnage and kerosene used in aviation
- ✓ Give priority to collective transport, preferably managed by the public sector, and ensure the quality and availability, to reduce energy costs for low-income households

=> Adopt a Directive on sustainable mobility



Conclusions

It is under such conditions that concerns and threats relating to the greening of the economy could be turned into opportunities to:

- Create sustainable, quality jobs
- Decrease social inequalities,

two major challenges that ETUC wants to see met and to which it intends to contribute.

Thank you for your attention!

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References

“Climate change and employment”
2007

<http://www.etuc.org/a/3675>

*Impact of climate change on
employment and measures to
reduce CO2 emissions in the
European Union 25 by 2030*

“Climate disruptions, new industrial
policies and ways out of the crisis” 2009

<http://www.etuc.org/a/7585>



The observations and analyses pertain to:

- The **industrial sectors subject to the carbon market**: electricity, steel, refineries, cement, chemicals, glass, aluminium.
- The **industrial sectors subject to carbon regulations**: automobile, electrical machinery and equipment; insulating and building materials, renewable energy sources.
- The **other sectors**: agriculture, forestry, fisheries, tourism, insurance, financial sector, health, infrastructure and facilities, transport, construction, etc.



ETUC 2010 brochure available at:
www.etuc.org/a/6789

Le changement climatique, les nouvelles politiques industrielles et les sorties de crise



The SYNDEX study (2010-2011) :
« *Social partners initiatives in Europe on climate change and employment* »

Initiated to give European-level social partners the means to identify existing joint actions and forthcoming initiatives to :

- ✓ better address opportunities created by greenhouse gas reduction**
- ✓ Minimise negative employment effects of policy and emission reduction measures**



Recent resolutions and positions of the ETUC

Resolution on climate change, new industrial policies and ways out of the crisis (2009)

<http://www.etuc.org/a/6595>

Position on the financing and management of climate policies (2010)

<http://www.etuc.org/a/7396>

Resolution “A sustainable new deal for the EU and with a view towards the Cancun summit” (2010)

<http://www.etuc.org/a/7744>

Resolution on the energy strategy for Europe 2011-2020 (2010)

<http://www.etuc.org/a/7953>



Recent resolutions and positions of the ETUC

Climate change negotiations : ETUC resolution on EU position at Durban COP17

<http://www.etuc.org/a/9159>

Resolution Rio+20 : Strengthening the social dimension of sustainable development

<http://www.etuc.org/a/9162>

Resolution : Comments on the proposal for a Directive on Energy Efficiency COM(2011) 370 final of 22 June 2011

<http://www.etuc.org/a/9157>

