



EXECUTIVE COMMITTEE
Brussels, 14-15 June 2005
167.EC

Item 7 on the agenda

Review of the EU Sustainable Development Strategy

The Executive Committee is asked to adopt this position

1. Introduction

- 1) ETUC supported both the adoption of the EU Sustainable Development Strategy in 2001 and the inclusion of an environmental pillar in the Lisbon Strategy. The present declaration is based on previous ETUC resolutions and position papers on this topic¹.
- 2) In August 2004, the European Commission launched a public debate on the revision of the European Union's strategy on sustainable development in the form of a questionnaire to which ETUC and several national trade union organisations contributed. In a Communication to the Spring Council in March 2005, the Commission presented the outcome of that consultation process and traced out the futures lines of that strategy. This declaration is ETUC's response to that Communication.

2. Clarifying the links between the EU Sustainable Development Strategy and the Lisbon Strategy

- 3) ETUC regrets that social inclusion and environmental protection appear to have been downgraded as priority objectives in the revised Lisbon Strategy adopted by the 2005 Spring Summit. This runs counter to the Commission's own assessments which demonstrate the persistence of serious trends regarding poverty and environmental risks (re climate change, biodiversity and public health).
- 4) Accordingly, ETUC believes that the issue of consistency between the agenda of the Lisbon Strategy and the long-term objectives of the Sustainable Development Strategy still requires full clarification. The two aforementioned strategies overlap in several areas, e.g. in connection with economic growth, innovation, scientific research, fiscal issues, energy and ageing. We draw the attention to a number of existing and potential tension fields that are not taken up in the document drawn up by the Commission, and call upon the Commission to clearly identify these areas of tension and any potential choices to be made in their regard.

3. The vision of sustainable development

- 5) ETUC fully supports the Commission's statement that the revised Sustainable Development Strategy "will need to adopt a broader approach highlighting the structural changes in the economy needed to move towards more sustainable production and consumption patterns". Working conditions and the working relationship between workers and employers are elements that define the structure of both the economy and society, and must be fully taken on board in the strategy. In the past, the

¹ "Sustainable Development - Putting Environmental Policy at the Heart of European Employment Policy" 13-14 June 2001, Brussels
"Europe and sustainable development – World Summit on Sustainable Development in Johannesburg, 2002», 19-20 November 2002, Brussels
"Union proposals for a European policy on climate change", 17-18 March 2004, Brussels.
"ETUC declaration on the proposed reform of EU policy on chemicals (REACH)", 17-18 March 2004, Brussels.

Sustainable Development Strategy has neglected the role played by the workers and trade unions in such transition processes.

- 6) The details, regularity and timing of such changes must be determined within a democratic process that involves all the actors, including workers and their representatives, thereby guaranteeing that changes are implemented fairly.

4. Key components of the EU Sustainable Development Strategy

- 7) ETUC agrees with the Commission that the policies impacting on the attainment of sustainable development objectives are insufficiently consistent. Indeed, hardly any synergies between the environmental and social aspects are exploited. The Commission needs to develop a consistent approach regarding links between social/ employment policies and environmental policies and to pinpoint those areas where policies can be integrated to useful effect.
- 8) The *ex-ante* impact assessments drawn up by the Commission are a useful tool for enhancing consistency between policies governing sustainable development, provided that:
 - a) Qualitative aspects are systematically taken into account, especially those concerning health, job quality, work organisation, the demand for qualifications, changes in industrial structure and forms of employment;
 - b) the members of organised civil society, including trade unions, are more closely involved at the earliest possible stage, and certainly before any assessment takes place. ETUC was happy to learn that the Commission intends to improve its consultation of the respective stakeholders when conducting future impact assessments.
- 9) Sustainable development goes hand in hand with progress made regarding the knowledge society and investment in human skills. Yet the strategy has no dimension covering policies on training, education or qualifications. Through the Employment guidelines, the European Employment Strategy must encourage the Member States to adopt:
 - a) Active policies designed to directly create worthy jobs that offer prospects of 'professionalisation' in the domains of human and corporate services, the social economy, regional development and environmental protection;
 - b) suitable policies on education, lifelong learning and training, creating specific new training courses for environmental professions, certifying new professional diplomas and recognising qualifications.
- 10) ETUC was happy to see that the Commission plans to invite the Member States "to look at how they could shift the burden of taxation onto the causes of environmental damage and away from labour" so that the prices charged for goods and services reflect their true costs to society. With an eye to sustainable development, ETUC recommends that the Commission should incorporate this approach into a broader rethink of fiscal policy and take account of any potential consequences with respect to social exclusion, the manner in which tax revenue is used and the need to avoid any negative impact on the level of public services and social security.

- 11) ETUC invites the Commission to consider the respective benefits of regulatory instruments and other tools (providing encouragement for voluntary initiatives, economic instruments) with a view to achieving long-term objectives associated with sustainable development. The selection of one instrument rather than another must be based not on ideological choices, but on an objective analysis of their constraints and relative efficacy.
- 12) The Sustainable Development Strategy must more clearly define the circumstances under which Corporate Social and Environmental Responsibility (CSER) could help us attain the objectives of sustainable development in Europe and throughout the world. Meanwhile, ETUC supports CSER-related initiatives which enforce respect for international social and environmental standards, stakeholder participation and effective monitoring of commitments by worker representatives. The OECD Guidelines for Multinational Companies meet these requirements, as do the framework agreements concluded between trade unions and some multinationals. ETUC demands that the Commission encourage the development of such framework agreements via its external policies and impose technical specifications containing such requirements in connection with all companies receiving export credits, public procurement contracts in the context of aid programmes and the financing of environmental development projects (CDMs) in the context of the Kyoto Directive.
- 13) If sustainable development is to be achieved, both public and private sector investment strategies need to be reconsidered, including R&D, but also other aspects. The Union must encourage such a change in direction and foster investment via its own budget, its macroeconomic policy, its Broad Economic Policy Guidelines (BEPGs), opportunities for flexibility opened up by the new Stability and Growth Pact (SGP) and openings for obtaining loans granted by the European Investment Bank (EIB). In the transport and housing sectors in particular, major benefits for sustainable development can be expected from appropriate programmes providing support for investment, as shown by the manifesto entitled "Investing for a sustainable future", jointly drawn up by ETUC, the European Environmental Bureau and the Platform of European Social NGOs.
- 14) ETUC is happy that the Commission intends to set up partnerships with the respective actors, and especially with unions, in a bid to find ways of remedying non-sustainable trends. Such partnerships must entail identifying the potential effects of policies on employment and on job quality, finding ways of weakening the negative effects associated with them and maximising the positive impact and involvement of unions in the establishment of environmental policies. ETUC is also drawing the Commission's attention to the need to include environmental questions in the social dialogue structures existing at various levels, especially sectoral social dialogue committees and European Works Councils (EWCs).

5. Non-sustainable trends

- 15) The Commission proposes reiterating the main areas where action is required within the framework of the Sustainable Development Strategy and suggests incorporating the Union's international commitments in that strategy. ETUC supports these proposals and demands that the Commission explicitly take account of the pledges made by the EU Member States regarding the ILO programme promoting decent jobs.
- 16) ETUC demands that a new priority topic - global financial risks - be added to the Sustainable Development Strategy and that specific objectives be set. The failure to connect the real economy and the financial sphere (financial and exchange rate markets) poses a threat to long-term growth in employment and to the rational management of natural resources, as shown by the persistent imbalances of the US deficits and the financial crises in Asia in 1997.

Poverty, social exclusion and inequality

- 17) Raising the rate of employment goes a long way towards reducing poverty, but does not *per se* guarantee a high level of social cohesion. The degradation of job quality has become one of the main factors driving the spread of poverty in Europe. The need to develop high-quality jobs (health and security, work organisation, gender equality, reconciliation of home and working life) must be a constant factor determining the European Employment Strategy and the use of structural funds.

The 'intergenerational' dimension of the phenomena of poverty in the Union must feature very prominently in the Sustainable Development Strategy. We have to investigate those processes that are likely to prompt protracted inequalities between one generation and another, in particular the precarious nature of employment contracts, the weakening of unemployment insurance schemes, the dismantling of public services, discrimination at work, the imposition of a tenuous existence on immigrants, the segregation of housing, bad living conditions and poor mobility.

The available data are fragmented, and additional structural indicators to be combined with those regarding the quality of employment and public health must be developed to evaluate the policies of social inclusion (the percentage of poor pensioners and workers; the percentage of employment contracts as a function of their duration; the ratio of short and long part-time work and risk coverage).

Finally, an integrated approach to the phenomenon of poverty needs to be adopted that also takes account of links with problems associated with climate change, public health, the use of natural resources, sustainable consumption and poverty throughout the world.

Ageing

- 18) ETUC deplors the blinkered view of the Sustainable Development Strategy with respect to ageing. Admittedly, the ageing of the population causes a major financial problem due to the need to continue paying pensioners and fund social security systems at a time

when the size of the working population is declining. Nonetheless, a broader approach to the sociocultural aspects of demographic change needs to be developed². The problem is how to give a multi-generation society a positive shape. How can solidarity between the generations be safeguarded? How can we make better use of the social and cultural capital accumulated through experience and as well as of the know-how of senior citizens?

Greater emphasis should be placed on the transversal nature of the problem of ageing. There are clear links here with issues to do with health, the environment, climate-related risks (as demonstrated by the mortality rate during the 2003 heat wave), working conditions and new forms of social organisation and consumption.

Public health

- 19) The Sustainable Development Strategy must clearly state that the aim of a policy geared towards public health in the long term is to reduce health-related inequalities, for such imbalances threaten to undermine social cohesion.

An objective of this kind requires vigorous action with regard to all the factors determining health (the quality of the environment, living conditions, housing and education) and all the collective aspects of working conditions, as well as action in the domain of health services.

Consequently, ETUC demands that health at work and life at work should be covered by the strategy, as should working conditions which go a long way towards defining them. Clear objectives for these various factors need to be set, as do appropriate deadlines. Moreover indicators have to be identified that will enable any progress made to be measured. An indicator measuring life expectancy in terms of socio-professional categories ought to be added to the list of indicators used to monitor the strategy's implementation.

The revised strategy must set the target of adopting the proposed reform of the policy on chemicals (REACH) by the end of 2005 and also take account of the demands made by ETUC that it genuinely contribute towards reducing the risks of occupational diseases caused by hazardous chemical substances. It must also reaffirm the prime objective that by 2020 chemicals are only produced and used under circumstances that pose no major threat to either human health or the environment.

Climate change and renewable energy

- 20) Climate change is the most pressing global environmental challenge, and one that calls for major efforts and active steps on the part of industrialised countries, in line with their common and differentiated responsibilities, as well as working in conjunction with transition and developing countries. Any such action must be taken within the framework of the UN Framework Convention on Climate Change (UNFCCC).

² Cf. ETUC response to the consultation on the Green Paper "Faced with demographic change, a new solidarity between the generations"

ETUC supports the full integration of the commitments made by the EU Member States with regard to the Kyoto Protocol and, beyond that, the definition of quantified objectives for reducing greenhouse gas emissions in accordance with the decisions taken by the European Council in March 2005 - namely to reduce such emissions by between 15 and 30% by 2020 and by between 60 and 80% by 2050, compared with the levels measured in 1990.

European policies have not adequately tapped the potential of energy efficiency to create jobs and fight poverty. Such potential is associated primarily with reviewing energy management and renovating energy facilities in homes and buildings used by the tertiary sector, as well as with long-term mobility and energy services. ETUC is in favour of imposing binding objectives for energy savings on the Member States along the lines of those set out in the EU's draft directive on energy end-use efficiency and energy services.

Consistent sectoral European policies aimed at implementing the Kyoto objectives in all sectors of industry must be developed and be subjected to the processes associated with sectoral social dialogue.

Management of natural resources

- 21) Whilst reiterating that 75% of all biodiversity is to be found in the South, ETUC stresses the importance of such biological diversity, its study, conservation and sustainable use. ETUC also insists that the benefits derived from the use of genetic resources be shared out equally, and urges the Union to press for recognition of the primacy of environmental agreements, and in particular the UN Convention on Biodiversity, ahead of the agreement on intellectual property negotiated and implemented within the World Trade Organisation (WTO).

ETUC recommends that EU strategies regarding product life cycles and waste recycling take account of work-related aspects and the role of workers when defining and implementing measures in the workplace. Such strategies must also consider the role of the social organisation as a key factor in any changes that need to be made.

Transport

- 22) From an environmental point of view, the failure to unhitch growth in transport from growth in GDP is an extremely worrying tendency, which the Sustainable Development Strategy neglected to redress. The development of road traffic, prompted by new strategic choices by companies geared towards flexibility, just-in-time production and ease of operation by employing a cheap, flexible workforce, poses serious threats in several respects (including congestion, emissions of CO₂ and micro-particles, and safety).

ETUC believes that the new guidelines on trans-European networks adopted by the Council in December 2003 go some way towards meeting the crucial objective of switching traffic from road to rail and maritime transport networks. However, ETUC also maintains that marked improvements are needed with respect to studies investigating the impact of such projects on jobs and on the environment.

ETUC advocates reviewing the structure of road freight charges in Europe in a bid to meet the targets set for modal transfer, but demands that the economic and social conditions in the road transport sector be taken into account.

The existence of efficient, safe public transport that respects the environment is the key to any sustainable transport system.

Making transport more sustainable also raises the question of corporate social responsibility (CSR). Stock management within the context of globalisation and the organisation of journeys made by members of the workforce must be set alongside the objectives aimed at scaling back their impact, within the context of a dialogue with the workers.

The external dimension of sustainable development

- 23) ETUC maintains that the main objectives regarding the exterior dimension of the Sustainable Development Strategy are as follows:
- The implementation of quantified objectives for the action plan adopted in Johannesburg and the Millennium Development Goals. In this context, ETUC reiterates its demand that public subsidies for development be increased to reach the level agreed in the United Nations (i.e. 0.7% of GDP) by the donor countries by 2015.
 - Whilst recognising the role entrusted to multinationals in implementing the action plan adopted in Johannesburg, ETUC demands that the EU adopt an instrument requiring such companies to draw up a social and environmental reports and insist that any projects including public/private-sector partnerships should not entail any privatisation of services of general interest.
 - The promotion of close cooperation and complementarity between all international institutions as well as due consideration by the World Trade Organisation of the social and environmental dimension of trade and investment.

6. Action to be taken by ETUC and its member organisations

- 24) ETUC will continue to monitor the implementation of the EU Sustainable Development Strategy, working closely together with the European Environmental Bureau and the Platform of European Social NGOs.
- 25) ETUC and its member organisations will take steps to ensure that workers at company level are recognised as actors in the transformation processes required to achieve sustainable development, and that worker representatives are therefore granted appropriate environmental rights. At the same time, ETUC will strive to make sure that social dialogue at all levels - sectoral, national and European - is extended to cover environmental issues.
- 26) The unions will work together with the respective governments and employers' organisations to develop policies on employment, education, vocational training and qualifications that enable us to rise to the various environmental challenges we face.

- 27) ETUC and its member organisations will play their part in promoting a strategy of sustainability with respect to workplaces, starting with issues to do with energy efficiency and the sustainable mobility of workers and merchandise.
- 28) ETUC will continue endeavouring to develop its expertise and unions' capacity to take part in impact assessments conducted by the European Commission to evaluate its policy proposals.
- 29) ETUC will conduct a study to assess the consequences for employment of climate change and policies geared towards reducing greenhouse gas emissions in the EU-25.
- 30) ETUC will continue to push for the adoption of the draft REACH directive.
- 31) ETUC will continue to work together with its international trade union partners to shore up the social and environmental dimension of globalisation by calling for more consistency between activities undertaken by the United Nations, the International Labour Organisation (ILO), the United Nations Environment Programme (UNEP) and the WTO.
- 32) Together with the respective European trade federations and European Works Councils, ETUC will step up its efforts to promote international labour standards and international environmental agreements through framework agreements with multinationals.
