



Resolution on a Sustainable New Deal for Europe and towards Cancun

Adopted by the Executive Committee on 13-14 October 2010

The EU must adopt *A Sustainable New Deal*, underpinned by a development strategy to secure Europe's recovery from recession, to adopt a just transition, to create millions of decent, sustainable and green jobs, and to make a fair and effective contribution to the global fight against climate change.

1. Introduction

In recent years, the European Trade Union Confederation has adopted a number of resolutions and positions on climate policy, together with the ITUC, shaped by various studies it has commissioned¹, on which this resolution is based.

This resolution details the position of the European trade union movement, particularly in view of the climate negotiations to be held in Cancun in December 2010. It also forms part of the general framework of the recent resolution adopted by the International Trade Union Confederation, "Combating climate change through sustainable development and a just transition"², to which the ETUC subscribes.

The ETUC sees just transition as a genuine opportunity. Work must urgently be started to implement its basic principles within the framework of a European strategy: dialogue between government, industry and trade unions, and other interest groups; green and decent jobs; investments in low-carbon technologies, and new green qualifications.

The European strategy must be a development strategy and not merely a negotiating strategy.

Europe has to impulse and persuade the other countries, including developing and emerging countries, of the importance of social and environmental transparency, control instruments, regulation, standards and sanctions, to avoid competition based on the lowest common social and environmental denominators and ensure a virtuous circle.

¹ see our dossier at <http://www.etuc.org/r/753>

² see http://www.ituc-csi.org/IMG/pdf/2CO_10_Sustainable_development_and_Climate_Change_03-10-2.pdf

From the point of view of the trade union movement, action on climate change can and must seek to become a strategy for sustainable growth and social progress. Such action must intertwine the battle against climate change with the fight against poverty and social inequality. Caution in this regard is no longer possible. Urgent action is required, including through the Europe 2020 strategy which must be revised and strengthened to include these priority actions, in order to contribute to the transformation of our societies avoiding conflict.

2. General context

2.1. Austerity strategies are no response to recession or climate change

The financial crisis plunged Europe into the worst situation it has ever known since the 1930s: 23 million unemployed in Europe, millions of European citizens made vulnerable and insecure, and growing social tension across the continent. The centre of gravity of global economic activity has also shifted outside of Europe and climate change – together with environmental damage in general - is worsening social inequalities between and within the different regions of the world.

To cope with this situation, the only response most European governments have been able to come up with is to adopt austerity measures that will drive up unemployment and radically damage social solidarity and growth as well as Europe's capacity to contribute effectively and fairly at global level to the fight against climate change and the struggle for social progress. During the financial crisis, however, huge amounts of money were raised to save banks and guarantee their financial assets. Now, Europe must urgently mobilize and strengthen its financial resources to guarantee a sustainable economic recovery. A financial transactions tax (FTT) is essential.

The ETUC is concerned that austerity measures will lead Europe into recession and result in even more unemployment, deep cuts in salaries and pensions, insecure working conditions for young people and other workers, poverty, social exclusion and social inequalities. It is also alarmed that recorded reductions in greenhouse gases emissions – resulting largely from the economic crisis rather than climate policies - together with austerity measures will delay and complicate the investments needed to bring about the transition to a low-carbon economy.

2.2. A European sustainable development strategy is the right response to recession and climate change

For the ETUC, it is possible to build a more social Europe, a Europe of solidarity that offers its citizens access to quality jobs, stable jobs, training for all, the guarantee of decent pay, strong social protection as a guarantee of social cohesion and solidarity, protection of purchasing power, the guarantee of better pensions, and quality public and social services available to all; a Europe based on solidarity contributing to the respect for human and labour rights globally, through the prioritisation of these rights and social conditions in all treaties, agreements and

institutions and by promoting an integrated sustainable development approach in all international decision-making processes.

For the ETUC, it is possible to meet at the same time these social objectives and environmental requirements, among which the reduction of greenhouse gas emissions.

To help achieve these objectives, Europe must adopt an integrated sustainable development approach and put in place a development strategy that establishes the conditions for sustainable growth, namely concerted green growth that contributes to the creation and maintenance of quality jobs and social progress throughout the economy, because all jobs are concerned.

Simultaneously, Europe must:

- ensure the development of coordinated, sustainable and dynamic industrial policies in the European Union based on low-carbon policies, R&D, technological innovation and suitable education and training programmes;
- improve European governance;
- reinforce public control in such a way that any measure designed to promote any policy is impossible to separate from compliance with labour legislation;
- strengthen means of fiscal coordination and transparency to prevent social dumping in Europe;
- adopt appropriate climate change legislation;
- ensure a strong public investment policy;
- ensure the transparency, coherence and complementarity of its public policies, including fiscal policy measures, that must all contribute reaching sustainable development objectives;
- develop instruments to finance the necessary policies;
- implement urgently a financial transactions tax.

In short, Europe must oblige the Member States to assume a high level of responsibility and must put in place genuine, strong and coherent European policies. Otherwise, in the longer term, it risks wasting the opportunity offered by today's crisis to develop a low-carbon economy rich in quality jobs, losing its voice in the international arena, and contributing to a historic weakening of Europe.

The sustainable growth that Europe so badly needs can only be based on stability and security grounded in a dynamic employment and social protection policy. Workers will more readily accept job mobility, whether linked to climate or other policies, if it is placed in the framework of a secure career. It cannot be conceived of without compliance with social legislation, without sustained social dialogue instruments, without anticipation of needs or without real social law in all European Union countries.

Historically, these elements have constituted the foundations of the European social model, foundations that are being called into question in a number of European Union states today. Yet we cannot build a democratic social system based on increasing social inequalities, resulting among other from insecurity in employment and environment degradation.

For the ETUC, another model is possible. It is both necessary and urgent, as a means of safeguarding the European democratic social system and enabling Europe to contribute fairly and effectively to the fight against climate change and against environmental damage in general and to the drive to combat social and environmental inequalities in Europe and beyond.

A failure to move forward in this direction may not only lead to a historical weakening of Europe compared with the rest of the world, particularly on the development of promising green technologies, but could also exacerbate conflicts related to resource management due to their scarcity in certain regions of the world and cause an increase in migration that will often prove disastrous for the populations concerned.

3. The climate change negotiations and Europe

For the ETUC, the 5 pillars of Just Transition to a low carbon Europe are:

- Consultation between Government and key stakeholders, including representatives from business, trade unions, local government and regional bodies and voluntary organisations.
- Green and decent jobs through investments in (new) low carbon technologies.
- Green skills: Government-led, active education/training and skills strategies for a low carbon, resource efficient economy.
- Respect for labour rights and human rights: democratic decision making and respect for human and labour rights are essential in order to ensure the fair representation of workers' and communities' interests at the national level.
- Strong and efficient social protection systems.

The ETUC also stresses the following points, specifically for Europe.

1. In the context of European policies, the European Union must:

- put people and the planet first, as developed in the Spring Alliance Manifesto to which it contributed, and consequently attach far greater importance to the social dimension of environmental and economic policies, reconsider the European Union's sustainable development strategy to ensure that it adopts a truly transversal sustainable development approach in shaping its policies, and reconsider the **European Union's 2020 Strategy**³.

³see <http://www.springalliance.eu>

- stress the urgency of **protecting biodiversity**, particularly for its very strong interactions with climate change, but also in light of a general concern for public health and occupational health. For the protection of biodiversity and promotion of health at work we request the spread of the principles and methodology of REACH at global level. This should be put on the ILO's agenda.
- **implement as a matter of urgency, and in full, the potential in terms of sustainable development included in the European Treaties**, namely:
 - the pursuit of the objectives set out in Article 3.3 of the Treaty of the European Union, stipulating that *'the Union shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance. It shall combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child. It shall promote economic, social and territorial cohesion, and solidarity among Member States...'*
 - the implementation of the horizontal clauses included in the Treaty on the Functioning of the European Union

On the one hand via social mainstreaming applied across all European policies, as provided in Article 9:

*'In defining and implementing its policies and activities, the Union shall take into account requirements linked to **the promotion of a high level of employment, the guarantee of adequate social protection**, the fight against social exclusion, and a high level of education, training and protection of human health'.*

On the other by also incorporating considerations to do with the environment and sustainable development provided in Article 11: *'Environmental protection requirements must be integrated into the definition and implementation of the Union's policies and activities, in particular with a view to promoting sustainable development'.*

- **implement as a matter of urgency, before the end of 2010, a European recovery plan matched with a green and social New Deal equivalent to 1% of Europe's GDP** to stimulate employment, investments and growth. Europe needs massive investments in clean technologies, both in new and existing industries, particularly in the fields of energy, transport and construction, as well as new industrial policies to boost manufacturing in the Union.⁴
- **implement and strengthen the commitments made in the Energy-Climate package.**⁵

⁴ see ETUC resolution of June 2010 on "The worsening crisis – Europe at risk" at <http://www.etuc.org/a/7373>

⁵see ETUC resolution of March 2008 at <http://www.etuc.org/a/4716>

- **adopt climate change legislation** that includes measures such as:
 - the creation of a European agency taking over the responsibility for establishing benchmarks based on the best available technologies and ensuring carbon traceability for products, in particular for those where “carbon leakage” could result in the loss of jobs and investment to countries without similar carbon reduction commitments, on which the social partners are represented;
 - prevent price speculation and erratic fluctuations through a revised ETS⁶;
 - comprehensive coordinated initiatives in R&D and other areas⁷;
 - social and environmental quality requirements for projects conferring entitlement to CDM and JI credits ⁸;

- **put in place a European low-carbon industrial policy based on a process of EU-wide industrial coordination** that transcends intra-European divisions and the negative effects of market requirements for short-term returns on industrial investments, and that particularly addresses the challenges of industrial restructuring with which the new members states are confronted⁹.

- **secure the conditions for a just transition**
 - by calling for the setting up of an international fund and by setting up a European fund to facilitate R&D and the development of green technologies, technology transfers to the developing countries and the development of employment policies based on social protection, the promotion of decent work and public services;
 - by developing a transition strategy for energy-intensive industries in order to prevent carbon leakage and to encourage investments that help enhance environmental protection and safeguard quality jobs;
 - by creating career crossovers to help workers from sectors that are shrinking to find quality jobs in expanding sectors, etc.;
 - by developing a European framework that would help anticipate socio-economic transitions, identify the associated qualifications and occupations, that would encourage the greening of the economy as an opportunity to promote the gender equality on the market, and ensure the reform of education and training systems accordingly, and by strengthening dialogue between the social partners and the public authorities to ensure that all the above objectives can be achieved¹⁰.
 - by ensuring, promoting and supporting social dialogue instruments, negotiations and collective agreements at all levels (European, national,

⁶ see ETUC resolution of October 2009 at www.etuc.org/a/6594 and ETUC position of June 2010 at www.etuc.org/a/7395

⁷ see ETUC resolution of October 2009 at www.etuc.org/a/6594 and ETUC position of June 2010 at www.etuc.org/a/7395

⁸ See ETUC resolution of March 2008 at <http://www.etuc.org/a/4716>

⁹ see ETUC resolution of October 2009 at <http://www.etuc.org/a/6594>

¹⁰ see the resolution of October 2009 at www.etuc.org/a/6594 for further details

regional, sectoral, company ...), as key instruments for achieving the objective of green and sustainable growth.¹¹

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- **encourage contributions from all sectors of activity to the emissions reduction effort and the shaping of a development strategy**
 - by promoting energy efficiency at the workplace and the greening of workplaces, by giving new and more extensive rights to trade union representatives on matters of protection of health and the environment, by supporting (inter alia financially) their initiatives in this area and by making relevant training and skills acquisition available with that aim in view¹²;
 - by managing green skills and jobs effectively through social dialogue at every level, and by considering that the development of a low-carbon economy will depend mainly on improving existing skills rather than on developing specialised green skills, as demonstrated by the studies conducted for the ETUC in 2007 and 2009¹³, and as recently confirmed by the CEDEFOP¹⁴
 - by giving the necessary attention to education to environmental and sustainable development in general, the importance of which is also highlighted by the CEDEFOP.
- **release substantial funds for this development strategy**, at European level as well as national and sectoral level ¹⁵
 - by mobilising and strengthening existing financial resources, including the EU general budget, the European recovery plan; the structural funds under the European cohesion programme 2007-2013; the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD);
 - by reforming the governance of funds for combating climate change, in particular by making respect for social principles and conventions (compliance with the ILO's fundamental rights, human rights, etc.) and environmental principles and conventions a prerequisite for obtaining project funding;
 - by using new and innovative sources of financing such as a financial transactions tax
- **give the right economic signals**, in particular a price signal that could take the form of a CO₂ tax provided that a number of conditions are met ¹⁶ including : that any CO₂ tax must form part of an environmental approach aimed at giving a price signal rather than having a budgetary logic; the enlargement of the tax to also cover energy; the revision of the ETS system; that the tax mentioned should not apply to industries already covered by the ETS and that double taxation should be avoided (in some countries there is already a tax on energy usage); the creation of a European regulator; the availability of sustainable alternatives at accessible prices (regular and outstanding public transport systems, energy-efficient housing, ...); targeted compensation measures, sector by sector; the inclusion of social and environmental criteria into all public authorities' decision making processes; the spending of the revenues transparently and totally on internal investment measures to reduce emissions, on

¹¹for more details, see the ETUC's position of June 2010 www.etuc.org/a/7395

¹² see ETUC resolution of October 2009 at <http://www.etuc.org/a/6594>

¹³ see www.etuc.org/a/3673 and www.etuc.org/a/7586

¹⁴ briefing note "Skills for green jobs", July 2010

¹⁵see ETUC position of June 2010 www.etuc.org/a/7395

¹⁶ See ETUC resolution of June 2010 www.etuc.org/a/7395,

climate support for the developing countries and to finance the necessary compensating measures for low income households.

- set in place the conditions for achieving an exact evaluation of the situation in terms of employment by Member State and by sector, under the coordination of the European Commission, with a view to climatic imperatives. In this way, the European Commission will be in a position, together with the Member States and the social players, to define the needs and resources necessary for the implementation of the Transition towards a low-carbon economy for Europe.

2. **In the context of the ongoing international negotiations:**

- **On the emission reduction targets:** the European Union must take initiatives in the context of the 2010 negotiations and play its role, with a view to securing serious commitments on ambitious targets. It should thus be prepared to reconsider without delay, depending on how the context evolves, its current position of not increasing its emissions reduction commitments to 30% until other countries express the political will to take domestic action on the Copenhagen Accord. It should also be ready to reconsider its position in terms of and with due regard to the IPCC scenario pointing to the need for an 85% reduction in global greenhouse gas emissions by 2050 to limit global warming to 2°C at most, which necessitates interim targets, including a corresponding reduction of at least 25 to 40% in the industrialised countries by 2020 from 1990 emissions levels, as developed in the recent ITUC resolution.
- **On the international financial commitments,** Europe must:
 - help ensure that US\$30 billion in "fast-start" funds are distributed as soon as possible in 2010 among the least developed countries (while establishing criteria for transparency, participation and just transition as described above).
 - increase its contribution to funding for the global reduction of climate change and combine the fight against climate change with the drive to reduce poverty and social inequalities. The funds to be released from 2020, a total of around US\$100 billion per year, should be increased and the European Union should contribute one third of global aid (in keeping with the latest resolution of the European Parliament) by setting up appropriate mechanisms to ensure this financing (in particular through the introduction of a tax on financial transactions, etc.).

Europe must go on being one of the most important driving forces for climate change and must

- Help define at international level, as a matter of urgency, a financial system guided by economic, environmental and social principles to make possible a new model of

development, especially for the poorest countries, as proposed in the state of play drawn up by the ETUC after the Copenhagen summit¹⁷

- Ensure that this system is transparent and managed through sound governance, in the interest of all, and that it leads to the creation of new financial instruments such as the taxation of financial transactions.
- Support the recommendations of the ITUC and the ETUC, and see to it that the final agreement includes the objective of guaranteeing the principles of a “just transition”, “decent work” and the engagement of stakeholders in the new UN climate change agreement.
- Help ensure that trade unions (and civil society in general) continue to participate in the UNFCCC negotiations in accordance with clear procedures and transparent mechanisms.
- Contribute to having carbon captured in wood from sustainable forests measured as holding carbon. This would increase the incentives for using and building with wood.

ETUC References

Resolutions/Positions

2008 <http://www.etuc.org/a/4716>

2009 <http://www.etuc.org/a/6594>

2010 <http://www.etuc.org/a/7395>

Studies

2007 <http://www.etuc.org/a/3673>

2009 <http://www.etuc.org/a/7586>

¹⁷ see http://www.etuc.org/IMG/pdf_Etude_EN.pdf, pp 30-35