

# **Socially Responsible Greening of Industry**

**A Renaissance of Industry for a Sustainable Europe**

**Greens/EFA group conference**

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# Background: Revision of growth model

The **Great Transformation** of the next decades will be the **transition to low (zero) carbon economy**

Green growth – a strategy to promote ‚eco-industry‘, clean energy and also give push to green restructuring of traditional sectors

In 2011-2012 we see the danger of a reversal of green policies in Europe: what we see is ‚black austerity‘ where incentives and subsidies into the green economy are cut back for sake of fiscal consolidation and ‚affordable energy‘ gets ‚fake‘ priority (e.g. Italy, Spain)

2012: For the first time in a decade clean energy investments fell worldwide, above all in Europe (IT: -51%, ES: -68%)

This is in sharp contrast with 2009 ‚green stimulus‘ packages

We also see a revival of fossil fuel (shale) gas and coal and an intensifying race for mineral resources

A clear case of environmental dumping by US and Canada (a threat for Europe)

## The bulk of the adaptation is still to come

Current climate policy tools are clearly not enough to reach 2050 climate policy targets. If we had those (and they would be also implemented), their effects would be also harsher than what we see now! A much more radical restructuring would be needed than what is foreseen now on base of current policies

Now it is easy to talk about zero net employment effect and even to manage a ‚just‘ transition with available resources

But what would be the effects of the more radical transformation, when the current energy price already has a huge conflict potential?

The major challenge for the social and employment effects of the green transformation is this **uncertainty**

Labour market and social policies are not ready to cushion a more radical greening process (this is an implicit fear of trade unions)

# Job potential

- 1,2 Mn people work directly or indirectly in renewables sector in EU (EREC 2012)
- Potential : 2020 = 2,7 Mio; 2030 = 4,4 Mio
- Export potential and technology leadership

But:

- Unfair trade practices should be tackled (e.g. chinese solar panels; US energy price dumping)
- Green skills for the workforce (update of curriculae, training and re-qualifying programmes)
- Decent jobs: salary, working conditions, health and safety standards

# 2012-2013: Energy Price issue

- Energy poverty and desindustrialisation are major sources of concern for TU
- Status quo is not the answer
- Shale gas and over-extension of ancient nuclear power plants are at odds with precautionary principle
- In the short term, following instruments should be used to mitigate the cost of the energy transition:
  - Provisions of the ETS Directive (art 10 )
  - Social tariffs and support devices for vulnerable households
  - Border adjustment mechanism (as a last resort) for energy-intensive industries exposed to a significant risk of carbon leakage from companies that do not have to comply with the same environmental standards
- Questions about Transatlantic Free Trade Agreement
- In the longer term, innovation, timely investments will reduce the cost of decarbonisation

# Challenge for trade unions in the broader context of the green transformation

Tension between their role as broad societal actors and as membership organisations (e.g. Canada & US: Keystone XL oil pipeline – **JOBS NOW** or long term sustainability???)

Path dependency?: locked-in into resource wasting growth model where the fair share of labour was carved out in past

The tension appears between the role of supporting more determined and ambitious climate policy on the one hand, but protect jobs that might come under pressure as a consequence, on the other

Or support new jobs by fracking and tar sands oil, as AFL-CIO does (difficult dilemma at times of depressed labour market)

In this context we also see divergent positions at different levels of TU organisations /international, national, branch level/

# Innovative alliances between NGO-s and trade unions

Trade unions developed practices of managing change /they are not anymore clinging to preserve status quo/

Innovative approaches: TU-NGO alliances /Green-Blue Alliance in US (also at company and project level), Spring Alliance in Europe (now on EU policy level)

These new alliances between trade unions, NGO-s and environmental organisations are important for co-operation and joint lobby work for matching environmental and social objectives

BUT tensions arise from the fact that trade unions unlike NGO-s are membership organisations

# Innovative alliances between NGO-s and trade unions

In the US for example: Green-Blue Alliance could not balance the conflicting interest of TU-s and NGO-s on the Keystone XL Pipeline

In Europe, Spring Alliance (ETUC, environmental NGOs (EEB), development NGOs (CONCORD) and Social Platform) is successful on broad policy level (joint lobbying), but co-operation is still limited

More perspective on joint actions for future policies:

- Training and reskilling
- Awareness raising for green objectives among workers also as consumers

# ETUC policy

- ETUC Resolution on the energy strategy for Europe 2011-2020 <http://www.etuc.org/a/7953>
- Putting just transition into action in Europe and globally: ETUC position towards Qatar COP18  
<http://www.etuc.org/a/10041>
- Green Workplaces a guide for union representatives  
<http://www.etuc.org/a/10377>

# Example: Challenge for trade unions in context of the energy transformation

Trade unions support:

Binding emission targets (2030) necessary to match long term targets

Comprehensive policy mix: ETS (upgrade), emission targets, standards and carbon tax

Balanced approach with view to affordability, social aspects and competitiveness

Competitiveness should not be based on cheap energy and cheap labour

All this should not compromise targets towards a low carbon economy

Short term challenge: austerity and „environmental dumping by US and China“

Policy framework should include: social tariffs and border compensation

Controversy about car emission targets/ supercredits

300 bn yearly investment need in clean energy– clarification of economic fundamentals

# Trade union role: the positive agenda: active policy role and social dialogue to meet the challenge

Trade unions are committed to more ambitious climate policy at the same time demand a framework that provides a balanced approach: just transition

This makes a comprehensive policy approach necessary: climate + employment + training + social + industrial policy

Such a comprehensive policy framework does not exist however

Current employment policies are not fit to cope with the more ambitious climate policy that would be needed for the 2050 targets

Managing labour market transitions would need a European Employment Fund for the Green Transition (like Globalisation Adjustment Fund)

Just burden sharing during the transition - job quality and managing job transitions

# Trade union role: the positive agenda: active policy role and social dialogue to meet the challenge

The skills needs of a low(zero) carbon economy need to be mapped in line with the climate policies that match 2050 targets: still huge gaps within the current policy framework

Trade unions support developing new green skills

- Green skills for the workforce (update of curriculae, training and re-qualifying programmes)
- Decent jobs: salary, working conditions, health and safety standards

Advance planning is necessary, but we still do not have the basic policy framework: this creates uncertainty and eventually also resistance

What institutional background: vocational training institutions, but also public employment services are not prepared for the massive restructuring that is due to come