



ETUC recommendations for the international conference on climate change (COP 13, Bali)

Adding a labour and social dimension to the international climate change regime

The recent scientific evidence and the IPCC Fourth Assessment Report show that global temperatures continue to rise and that **there has been an acceleration in the rate of changes observed over the last few decades**. An international political commitment to take action to avoid dangerous climate change is now urgently needed.

Climate change already has a detrimental impact on workers and their families. Indeed extreme climatic events often result in workers losing their jobs, for some of them only temporary, but for the others the loss can be irreversible. The hurricanes in the United-States have resulted in a net loss of 40.000 jobs.

European Trade unions support an ambitious Kyoto II agreement establishing a pathway for cutting global emissions by 85% by 2050 compared to 1990 levels, including **mandatory targets for developed countries to reduce their emissions by 30% by 2020**. We are convinced that it is an historical opportunity for social progress and quality job creation in a low carbon economy.

The process of transition to a low carbon economy should make a positive contribution to social development, in promoting **the creation of quality jobs** and improving access to essential resources and services. As long as economies have large number of unemployed people, they can no afford not to employ them in useful climate mitigation projects. These positive opportunities of climate change mitigation for social development must be tapped **through the design of the mitigating policies**.

While offering many opportunities for employment, fulfilling those ambitious targets also brings challenges for jobs. Some sectors will be profoundly transformed by emissions reduction policies. In the sectors linked to fossil fuel energy and other energy intensive sectors, existing jobs and skills may no longer be suited as demand shifts to low carbon and efficient goods and services. This includes industries such as coal power plants, coal mining, steel, iron, aluminium but also energy intensive services, such as road

transport, as shown by the study by the European Trade Union Confederation (ETUC) (see *in Annex*)¹.

The solution is not to forego action on climate change, but to ensure that those who do lose their jobs are given options. A **Just transition program** is the best way to guarantee that workers are not forced to pay for action on climate change through the loss of their livelihood.

This requires an “**Just transition**” which : a) improves the quality of life for all, especially the poorest of the planet b) improves access to affordable energy for all c) secures income and creates *decent work* (ILO decent work agenda covers : employment, social protection, standards and rights at work and social dialogue). These principles are recognised by Agenda 21 and the Johannesburg Plan of Implementation as key means to reconcile the necessity and demand for energy with the protection of human health, the atmosphere, and the natural environment.

Union and workers’ engagement can make the difference in the battle against climate change. Complying with the Kyoto Protocol without causing social problems is possible, provided that the unions are given adequate means and rights for information and consultation on climate and energy issues – both in the workplace and at national and sectoral level (for national dialogue, *seen for example, the Spanish case study in Annex*; for workplace dialogue, *see, for example the TUC’ greening the workplace project*). Tools for positive change have been developed by trade unions and employers, particularly the 2 million collective agreements that have been negotiated, some referring directly to environmental and sustainable development goals (see “*International framework agreements*” in Annex). Union engagement offers unique opportunities to strengthen citizens’ participation in the challenges of climate change.

Mainstreaming labour and social in all UNFCCC negotiating items

Employment-related objectives should be mainstreamed in all the negotiation items under the Convention and the Kyoto Protocol, especially in the negotiations items related to :

COP/CMP

➤ **Ad-hoc working group on further commitments (Art 3.9 of the Kyoto protocol) / UNFCCC Dialogue on Long-Term Cooperative Action on Climate Change**

A post-Kyoto agreement should include the following essential elements:

- The objective of the new agreement must be to limit the global average temperature increase to **no more than 2°C** compared to pre-industrial level,

¹ ETUC, SYNDEX, ISTAS, WUPPERTAL INSTITUTE (2007), climate change and employment, available at: <http://www.etuc.org/a/3673>

and establish a pathway for global emissions reductions, in accordance with the principle of common but differentiated responsibilities;

- Mandatory targets for emission cuts by all developed countries by **30% by 2020**. The longer term goal must be to cut greenhouse gas emissions by at least 85% by 2050 or earlier.
- **The fastest developing emerging countries** should commit to control their emissions, either through relative targets (efficiency targets) or sectoral targets (for example renewable energy targets). Such commitments should be linked to a requirement for industrialized countries to provide funds, investments, clean technologies, renewable energies and training to help developing countries meet their new commitments.
- A building block of **Just transition policies**. Any new agreement should address:
 - effects on employment and skills from climate-induced disruptions, i.e. displacement, migrations, unemployment in climate-sensitive sectors and climate refugees,
 - effects on employment and skills from the implementation of adaptation measures (i.e. investments in infrastructure or transformations in production),
 - effects on employment and skills from the impacts due to mitigation efforts.
 - economic diversification of areas where plants are expected to close, so that the local community does not depend on one workplace.

➤ **Flexible mechanisms (CDM, JI)**

CDM and JI projects should tally, as a priority, with actual investment delivering **decent work meeting the internationally recognised labour and environmental standards**. Approval of projects by the CDM executive board should be subject to a) compliance of the project developer with the principles of the OECD's guidelines for multinationals, the eight ILO basic conventions², Convention 155 on Occupational Health and Safety and Convention 169 on Indigenous and Tribal Peoples b) consultation of free and democratic trade unions during the process of adopting and implementing CDM initiatives (*see the Belgian case in annex*).

SBSTA (Subsidiary Body for Scientific and Technological Advice)

➤ **Adaptation**

The 5 years work programme should acknowledge the need to involve all relevant stakeholders in the design of **adaptation strategies**, including independent **trade unions**. It is essential to improve the understanding of the current and potential effect of climate change on employment, income generation and access to vital resources and services.

There is a need for a large publicly-financed and operated fund to address adaptation. Private finance can only be a supplement, especially since it is difficult for poorer countries to access these funds and on affordable terms. A fund to address costs of

²Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87); Right to Organize and Collective Bargaining Convention, 1949 (No. 98) ; Forced Labour Convention, 1930 (No. 29) ; Abolition of Forced Labour Convention, 1957 (No. 105); Discrimination (Employment and Occupation) Convention, 1958 (No. 111); Equal Remuneration Convention, 1951 (No. 100); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182)

damage may also need to be looked into, especially since climate-related damage is already taking place.

➤ **Socio-economic aspects of mitigation**

Exploiting the synergies between the objectives of climate change mitigation and quality job creation requires:

- **The potential effects on employment and skills** of climate-induced disruptions, adaptation measures and mitigation efforts **should be systematically assessed** so that training and education policies can be implemented on time to suit the needs of a low carbon economy. These requirements should be anticipated as workforce training is a mid- to long-term strategy.
- **Training programmes:** vocational training and education to provide the skills required to answer the needs of low carbon technologies development and energy efficient goods and services.
- **Massive public funding** in energy efficient public services and goods and in research and development of renewable energy, clean technology, energy conservation technologies and public transport systems (rail, light rail and tram) should be promoted. The shift in the burden of taxation away from labour (employees contributions) and onto other production factors, and notably fossil energy, should be also acknowledged, while guaranteeing a high level of social welfare protection and quality public services.
- **Transition programs for displaced workers** can be successfully implemented when developed up front. Elements of a successful program include:
 - Counseling to assess workers ' needs, and analysis of labour market needs and trends;
 - Training and educational opportunities that allow workers to upgrade their skills for the jobs that are being created;
 - In case layoffs can not be avoided and after consultation of trade unions having been completed, early notice of layoffs, whenever possible, so that workers can access counseling and training/educational programs quickly;
 - Income support for displaced workers for a certain period so that workers can take advantage of training and educational opportunities; and
 - Relocation funds for the workers who must move in order to find new work.
- The best way to achieve results is to set up such programs through **consultation with the trade unions**. This will ensure that that job training is appropriate for each worker's skills and the demands of the labour market.
- Trade unions propose the establishment of **tripartite social dialogue** processes in each country and at sectoral levels to anticipate effects and the transitional measures needed, after taking into account social protection coverage. A good example of this is the Spanish establishment of social dialogue tables for the implementation of the Kyoto Protocol and the National Allocation Plan (see *Spanish tripartite social dialogue on climate change in Annex*).
- **At workplace level**, the competences of workers representatives and health and safety committees should be extended to issues related to environment and climate change.

- The impact of the **liberalisation of electricity and gas markets** on emission reductions should also be assessed.

➤ **Technology transfer:** the Annex I Parties should promote Research and Development and technology transfer of clean technologies and renewable energies, and provide appropriate training, to the developing countries. Such programmes should promote sustainable development and social equity

A key question is the treatment of **intellectual property rights (IPRs)** over climate-friendly technologies. The Parties should ask the UNFCCC to study the impact of IPRs on introduction or upgrading of affordable climate-friendly technologies by private industry or public-sector agencies in developing countries.

SBI (Subsidiary Body for Implementation)

- **National communications:** We remind that Annex I countries, in their national reports to the UNFCCC, should provide information on the **social and employment aspects** of climate change impacts and mitigation measures. This should include estimates of job creation and losses and the implementation of employment transition programmes.

- **Art. 6 of the Convention UNFCCC:** The unions call on the European union and the member states to develop a strategy for the education and training pillars of article 6 of the Convention, and to make full use of the existing trade unions' capacities for training and education.

Positive advances towards these ends at COP13 would provide trade unions with the concrete tools they need to convince the workers that support for UNFCCC will translate into positive employment impacts in the long term.

ETUC has 82 member organisations in 36 European countries, and represents 60 millions workers.

Annex: concrete action by workers and trade unions

ETUC, SYNDEX, ISTAS, WUPPERTAL INSTITUTE Study on Climate change and employment in the EU-25

The study carried out by the ETUC, Syndex, Wuppertal Institute and Istas, looked at the potential repercussion on employment of a reduction of around 40% in the European Union's CO2 emissions by 2030, as a consequence of climate policies. They looked more specifically at four sectors (energy production, energy-intensive industries, transport and building) in 11 EU countries. The study shows that: Employment in the energy production sector is sensitive to energy-saving policies. However, the jobs created from the development of energy savings options would outweigh the number of jobs at risk in the coal sector.

In energy-intensive sectors, the risk of job relocation outside Europe and carbon leakage EU climate policies is real if the EU implements ambitious and unilateral emissions reductions. The risk can be mitigated with an industrial policy combining public aid for R&D training programmes and a 'border adjustment mechanism' on imports not covered by climate change regulations.

In the transport sector, there is a huge potential for job creation in transport by alternative means to road vehicles, but challenges for the automobile sector and road freight.

The building and construction sector represents a major source of employment, but it has to tackle the challenges of training its workers in sustainable building and innovation and recruit sufficient qualified workforce.

The study comes to the conclusion that the net result in employment would be slightly positive.

This study points out the need for clear and foreseeable climate policies, substantial public investment in R&D, renewable and CHP energy, public transport systems and renovation of buildings, as well as well designed economic instruments taking into account the impact on low income households and energy intensive industries. The authors call for 'Employment transition programmes', with adequate funding and negotiated with the social partners, in order to anticipate, minimise and mitigate the negative social consequences for workers of adaptation and mitigation policies.

Towards environmental competencies for the health, safety and working conditions committees in France

Conclusions of the « Grenelle de l'environnement » published in October 2007, foresee to grant competence on environmental issues to the CHSCT (committees on health, safety and working conditions at workplace) in workplaces. The competences of the National Economic and social council as well as of the regional councils should be enlarged to environmental issues and environmental NGOs.

Spanish tripartite social dialogue on climate change issues

An agreement between the Government of Spain, employers' organizations, and two central trade union organizations, the Confederación Sindical de Comisiones Obreras (CC.OO.) and Unión General de Trabajadores (UGT) provides a model for tripartite social dialogue to strengthen compliance, identify opportunities and counter adverse impacts. A 'Dialogue Table', including the Ministries of Finance, Industry, Commerce, Labour and Environment, monitors and assesses projects related to Spain's climate change 'National Allocation Plan', with a mandate to prevent, avoid or reduce the potentially adverse social effects that might result from compliance with the Kyoto Protocol, in particular those related to competitiveness and employment. The agreement also creates subsidiary 'Dialogue Tables' within seven identified industrial sectors, each with the power and responsibility to act and make recommendations.

Belgium's CDM and JI Projects Include Social Criteria & Trade Union Involvement

Under the current rules for the 2008-2012 year period, Belgium must reduce greenhouse gas emissions by 7.5% (compared to their 1990 levels). To do so it has incorporated a set of social criteria within the terms of its call-for-tenders to purchase greenhouse gas emission quotas thereby following recommendations of a technical committee composed of government, trade union, employer and NGO representatives. Through the implementation of the flexible mechanisms policy makers must truly seek a balance between economic, environmental and social impacts.

To be accepted, project proponents must respect the principles of the OECD's Guidelines for Multinationals, the eight basic Conventions of the ILO Declaration on Fundamental Principles and Rights at Work, and ILO Conventions 155 on Occupational Health and Safety and 169 on Indigenous and Tribal Peoples.

Employment rates, quality and skills development must also be factor for observation. Proponents must show compliance to labour standards and ensure access to essential services, including energy. They must

develop a plan for monitoring the environmental, social and economic impact of the project. Where pre-financing of projects is desired, trade unions must be involved in a monitoring process that fosters worker involvement and trade union action in non-Annex I countries.

Eight projects have been selected from an initial tendering process, which is financed by an electricity consumption tax (to the tune of €9.3 million) and these are currently in a final phase of negotiation or validation. This experience shows that compliance to extensive criteria does not pose significant hurdles to the tendering process. A second tendering procedure with a larger budget will soon be launched. See: <http://www.klimaat.be/jicdmtender/indexB.htm>.

German & Belgian Trade Unions work With Their Governments on Energy Planning & Conservation

In September 2005, the Belgian government agreed to a plan proposed by the *Fédération Générale du Travail de Belgique* (FGTB) to establish an energy conservation fund financed by the federal authorities, primarily for the housing sector, to help households invest in energy efficiency, with a priority on the most efficient investments and to households with lower incomes.

This Belgian proposal was inspired by a very significant experience developed in Germany, where the national trade union centre DGB with the German unions are collaborating with government, environmental NGO's and employers' federations in a programme to renovate buildings, contributing to climate protection, whilst creating sustainable jobs. The Alliance for Work and Environment aimed to renovate 300,000 apartments, create 200,000 jobs, reduce 2 million t/a CO2 emissions and lower heating bills for tenants, landlords, and the State by about US\$4 billion, through reduction of unemployment costs and increased income taxes etc. These effects are also predicted in a study of a joint project, *The renovation of a building – A chance for climate protection*, and the labour market conducted by Greenpeace Germany and the German Trade Union IG BAU. The immediate objective was to improve insulation of buildings, advanced heating technologies, and use of renewable energy, such as photovoltaic or solar thermal systems.

Thousands of new jobs were anticipated in the construction, heating, sanitary and air-conditioning sectors, as well as in building services. Financing for the programme is provided by the German government, which will spend less than US\$1,8 billion in a 5 year period. In addition, a total of US\$8 billion will have been made available through credits at favorable rates of interest.

In the UK, TUC runs Greenworkplaces project

The TUC is developing workplace-based projects to raise awareness of climate change and energy issues amongst union members. The Greenworkplaces Project, which is funded by the Carbon Trust for the year 2006/7, encompasses projects at 6 different workplaces including the public sector, the private service sector, and also heavy industrial users. The Project Leader is working with union reps and management to measure current energy usage and also attitudes, awareness and understanding amongst trade union members.

The project aims to use this information to target areas where there is particular scope for measurable improvements in energy efficiency. Key aspects of the project include: designing training courses, open days, written and online materials, designing joint surveys and other benchmarking, standards, measuring success, setting up frameworks for negotiating and representing members on environmental issues, and developing pilot projects which can be built on in future years.

The project is based on the principle that union involvement is crucial both in pushing management to take urgent action on climate change, encouraging behaviour change amongst the workforce, and taking collective action to tackle climate change through workplace action.

UK - Joint union/Government body tackling climate change. A joint government-trade union committee is working through a wide range of strategic policy issues to tackle climate change. For the unions, a key issue is to strengthen union engagement, both in the workplace and at a strategic policy level covering energy and climate change issues. The Trade Unions for Sustainable Development Advisory Committee (TUSDAC) was set up in 1998 and is jointly chaired by a member of the TUC General Council (Paul Noon, General Secretary of prospect) and a Government Environment Minister. TUSDAC published a consultation report, *Greening the Workplace* (2005) and a new 10-points guide for union activists (2006), and has supported several new initiatives related to energy, clean coal and transportation. <http://www.sustainableworkplace.co.uk>