

EPSU Contribution to the Public Consultation on

The external dimension of the EU Energy Policy

EPSU seriously questions the value of the public consultations organised by DG Energy. Our experience is that DG Energy does not take account of the public views expressed during the consultations if these do not fit with its views. EPSU and several other organisations contributed to the Consultation document on the EU energy strategy 2020, demanding a social dimension. While a summary document of the Commission reflected this, the final result did not take this into account at all. There is not even an acknowledgement of the positions addressing the points brought forward and why the Commission has not taken account of them. It is further unclear what the value is the Commission assigns to responses and why the views of organisations expressing the collective view of hundred thousands or even millions of members based on a democratic process and taking into account a European wide membership are treated equal with those of corporations, or much smaller organisations.

The public consultations are a form of window dressing to allow the Commission to do what it intended to do but now being able to argue that it has allowed for broad debate. This consultation is no exception as questions such as: Should the EU be partner to intergovernmental treaties or should the EU be coordinating projects, demonstrate.

We think this is misleading and an abuse of the powers of the Commission. We will explore with the European Ombudsman the possibilities of a complaint.

Comments

EPSU has argued that the Energy 2020 strategy should have a social dimension taking account of Just Transition, addressing issues such as skills and qualification shortages and energy poverty for low-income households. These were not reflected in the *Energy 2020 – A strategy for competitive, sustainable and secure energy*. The EU's external dimension of the EU Energy Policy as presented by the European Commission's public consultation document reflects the same absence of a social dimension. We want to see a social chapter in the EU External energy policy:

- Respect for trade union and human rights in the EU's external relations
- Integration of Just Transition Principles
- High level of health and safety to be respected
- Social dimension in the Energy dialogues including emphasis on social dialogue
- Democratic and transparent debate.

The EU external energy relations and energy dialogue should take account of the values of the overall constitutional framework of the EU and reflect the policies of the EU Commission Communication **The Social Dimension of Globalisation - the EU's policy contribution on extending the benefits to all** (Com 2004 -383) in which the Commission underlines that the EU has also emphasized the need to build the balance between economic, social and

environmental imperatives into its external relations policies. It has already initiated and developed relevant policies such as on the linkages between trade and development, the poverty focus of development cooperation, core labour standards and social governance, CSR, trade and the environment, its commitment to multilateralism, to sustainable development and the fight against corruption and to human rights in the world which should also be reflected in DG Energy's external dimension. (see also the Communication adopted on 24 May 2006 on promoting "decent work for all" as a global goal, and a communication on 11 December 2007 on the new Lisbon strategy cycle, highlighting the interplay between internal and external EU policies in the context of shaping globalisation. The European Council adopted on 14 December 2007 a declaration on globalisation affirming the EU commitment on strengthening the social dimension of globalisation, and highlighting that decent work is an integral part of this.)

Integrating energy markets and regulatory networks with our neighbours

Should the EU promote future energy market integration and regulatory convergence (notably as regards energy market regulation, environmental and safety standards) with its neighbours ? Is there a need for a differentiated approach between Eastern and Southern neighbours or between countries ?

It is up to the neighbourhood countries to decide if they want to be part of the EU internal market and regulatory rules. It is not for the EU Commission to promote this, pressuring these countries by linking it with support, aid, visas etc.

When governments decide to be closer linked to the EU internal market and its rules, the EU Commission is to request and promote a democratic debate about the internal market in the countries concerned - given the many changes it implies and the consequences for workers, citizens and society. The internal market and the related legislation bring great upheaval with impacts on investments, fuel mix, energy poverty, prices and employment. In fact many neighbourhood countries would be better off if they do not join a framework (opening of market in electricity and gas) that has been well established but not suited to their needs, and over which they have no influence at all.

There is furthermore an element of unfairness in applying the internal market rules to other countries. It took the old EU countries since 1992/93 to be where they are now. New member states were asked reach the same situation as of 2004, SEE countries have to do it by 2015. The impact on workers is immense as several studies for the Commission have underlined (Studies of Ecotec 2004 and 2007). A recent and forthcoming study on the impact of market opening on employment in the SEE countries predicts this effect as well. The Commission does not inform the neighbourhood countries about these changes. The frameworks for example for social dialogue are often not in place to deal with the social consequences.

If neighbourhood countries do decide to join and seek to export electricity, gas, oil to the EU, it is important there is a discussion on how standards are applied.

- Some EU countries would see their energy market seriously impacted upon if electricity can be produced in a cheap manner as the neighbourhood country concerned would not have to respect environmental, health and safety and other security standards. Electricity could be "dumped", leading to the closure of power plants. Countries wishing to profit from the EU internal market must therefore have
 - a credible plan and measures to reduce CO2 emissions integrating just transition principles
 - adhere to decent pay and conditions
 - protect low-income households
 - respect trade union rights and
 - where appropriate nuclear safety in conformity with the EU standards.

- This should be part of a **social energy paragraph** in the EU energy dialogues and EU treaties with the countries concerned. The Memorandum of Understanding on the Social Aspects of the Energy Community can serve as a basis.
- The EU energy dialogues should be strengthened with a social dialogue dimension as is the case in the energy community.
- While the Commission approach to all countries should start with a similar approach regarding respect for human and trade unions rights and democratic debate, relations can be better with countries that adhere to similar democratic values. An important indicator of the nature of a country's regime is if it allows free and democratic trade unions which engage in collective bargaining with employers.

Should the EU take concrete actions to foster greater investment in renewable energy sources in its neighbouring countries ? What actions ?

The EU should first stimulate investment in renewables in the EU itself.

With other countries the Commission should explore the positive and negative consequences of such investment. A study done on the DESERTEC project by PSIRU <http://www.psir.org/reports/2010-10-E-Desertec.doc> underlines the possible negative impact for the countries concerned and which have not sufficiently been explored. Such studies should also involve the social partners on both EU and neighbouring countries. The EU should make its support for such investment projects conditional on the social and environmental benefits that they will bring including for the population of the countries concerned.

Strengthening partnerships with energy suppliers and transit countries

What measures should the EU take to reinforce and focus its partnerships with key suppliers (of hydrocarbons and other energy sources) and transit countries. What should be the focus of such enhanced partnerships (What countries ? What topics)

As outlined above a key element to strengthen and reinforce partnerships is to promote the social dimension of the Energy dialogues.

The Commission and the governments concerned can involve the social partners in the energy dialogues. We have noticed that the Commission is actively promoting Business dialogues but a Trade union dialogue in the energy sector is absent. Funding is a key issue to foster this.

Another element of such relationships is to build support for the low carbon economy the world needs to tackle global warming.

We are aware that the EU is in fierce competition over resources with other countries and including China. Some of the EU partner countries will not be open to democratic debate, social dialogue and respect for trade union and human rights. The relations of the EU with such countries should be limited. We hold that such countries are often instable. Instead the EU should focus its energy on those countries where such values are present.

How can the EU best support complex infrastructure projects outside the EU that can contribute to enhancing the EU security of supply and diversifying its supply sources and routes ? For instance, should the EU seek to coordinate or be party of intergovernmental agreements which concern projects of European interest ?

As argued before – the social dimension is important, but also support for the low carbon future. There is a contradiction if the EU is supporting such infrastructure projects to bring fossil fuels to the EU whereas in the EU itself support for such projects is limited due to their environmental impact.

The Commission is to respect the institutional characteristics of the EU. The EU operates on behalf of its members, based on a mandate from its members. It should not get engaged in commercial contracts with companies.

We can support a role of the EU vis-a-vis other countries but based on the representation of the EU rather than as an equal with other Member States.

Promoting the EU role in setting the global agenda for safe, competitive and low carbon energy

What focus should the EU give to its energy cooperation with major consuming countries ? In what topics and countries should the EU action bring most added value

The EU should operate with one voice in such international discussions. The EU is to continue the struggle for a binding Treaty to reduce CO2 emissions and including the Just transition and decent job dimension as in the final agreement of Cancun. We agree with the commitment the EU has made to go to more ambitious CO2 emission reduction targets if other countries agree to binding (and controllable) targets.

The EU should explore the possibilities for carbon taxes (rather than a global emission trading market) with the major consuming countries. EPSU does not consider that a global emission trading market is possible or fair.

The EU could suggest to focus on the largest producers of fossil fuels and regulate, tax or reduce production so as to reduce CO2 more directly (the number of companies is limited and hence easier to control) A carbon tax could be considered and promoted in international contacts and treaties

New short and long term, guaranteed EU funding for both EU and international adaptation should be made available, with dedicate funding for public-public partnerships. The EU should quickly set up funding for developing countries to support them in their efforts. This is also a confidence building measure.

A focus on energy efficiency projects is worthwhile.

Should the EU take action too increase its collective weight in global energy discussions and in international organisations and initiatives dealing with energy ? How ?

The EU is to speak with one voice in such negotiations and initiatives. This can be done by agreeing its positions in the appropriate Councils under the control of the European parliament.

What initiatives could help the EU promote nuclear safety, security and non-proliferation standards globally ?

- Be cautious when trading with countries that have not signed the Non-proliferation Treaty
- Promote the Euratom standards for protection and involve the workforce in such actions
- Bring workers and their unions from the EU and make trading partners to get together to reflect longer term arrangements.

Better combining EU and Member States' efforts to promote European energy interests

How could the EU and its Member States gain together greater impact on international energy issues ? What concrete actions should be taken to ensure synergies and coordination between Member States' initiatives and EU initiatives ?

See earlier.

Do you consider that the compliance with EU internal market rules and the EU energy security objectives of Member States' bilateral agreements with third countries can be an issue ? Should the EU take action to ensure compliance ? How ?

It can be expected of Member States that they respect the EU objectives and targets such as reduction of CO2 emissions. Investing in projects through bilateral agreements that result in increased exports and CO2 emissions would violate this and the Commission should be critical of this.

We do not see that the EU can force respect for the internal market for electricity and gas principles in Member State relations with other countries.

How could the European industry and civil society best contribute to the EU external policy objectives ?

The European Commission should:

- Discuss European energy policy with the intersectoral social partners (ETUC/BusinessEurope-CEEP-UEAPME);
- Consult in an obligatory manner the European sectoral social dialogue committees. EPSU and the employers have raised this several times. This should be extended to the design, carrying out and evaluation of the impact assessments, so all options are considered. There is a lot of expertise available on the side of unions and employers/companies.
- Create the forums for discussion with other stakeholders;
- Ensure that organisations of low-income households can make their voice heard in the European debates. This might imply considering the assistance to be provided for low-income household advocacy groups.

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EPSU is the European Federation of Public Service Unions. EPSU represents over 8 million workers in more than 250 trade unions in all European countries. EPSU organizes workers in state administration and central, local and regional government, health and social services and the utilities (energy, water, waste). In the electricity and gas sector EPSU affiliated unions organize workers in all parts, including the distribution companies and auxiliary services.

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