# Climate change, Just Transition and Jobs

(18 August 2015) Trade unions have taken a simple view towards climate change: “There are no jobs on a dead planet”. So climate action is a trade union issue. We have a vital role to play to protect jobs in existing workplaces and industries by demanding and bargaining for industrial transformation.

We support new quality jobs in the emerging green economy and we fight for the 'Just Transition' measures that ensure we leave no one behind. It means **investing for the long term and investing for people**. Precisely this is what is missing in the EU climate and energy strategy. This departs from a market view in which everybody competes with everybody. This approach only leads to a few winners but many losers.

We know the science is unequivocal. Without urgent and ambitious action we will face a temperature rise of 4ºC or more this century and irreversible changes in our climate. Economists have spoken. The financial damage caused by global warming will cost the world far more than estimated.

2015 is the year governments can choose a pathway for a zero carbon future. We have a fighting chance to limit the temperature rise to 2ºC but we are running out of time: Climate catastrophes are increasing and hurting working people now. Within fifteen years we will face even bigger impacts: events that will destroy more communities and will destroy more jobs. The disruption will be socially and economically destabilizing beyond anything we have witnessed to date.

We want governments to agree on climate action and give us a fighting chance to limit the temperature rise to 2 degrees or less. Science tells us we need to urgently stabilise carbon emissions at 44 GigaTonnes. Business as usual gets us to 59 GigaTonnes by 2020. So, all our economic sectors must change, not only the energy sector. We demand a seat at the design table, we demand the dialogue to reach agreements that must shape the industrial transformation needed. We know that the industrial sectors of today will still be with us tomorrow - energy, construction, transport, manufacturing and public services - but the technological shift will be disruptive without a plan and decent work with workers’ rights will be at risk in the

scramble.

Workers have a right to know how their employers will plan for de-carbonisation, a right to speak and to be consulted and a right to co-determination. Decisions that are taken over the heads of workers are not sustainable. Decisions have to be taken with the workers. In the social dialogue committee for the electricity sector we are collaborating in a constructive way as social partners: trade unions and employers, on how to make the transition in the sector; from conventional to sustainable power supply, to a Just Transition. We are moving in the right direction, but our pace is still too slow.

The challenge of industrial transformation is both an imperative and an opportunity for unions to demand dialogue, to organise, to bargain for and to lead the changes to work and skills acquisition that will be required. It is also an opportunity to ensure our pension funds work for sustainability on our terms.

We know there are jobs, millions of jobs. Infrastructure investment means jobs. There are more jobs in construction, manufacturing and in public services as we green every industry and build “smart” cities. The ILO has found that policies facilitating climate transition are employment generators. Combining economic growth with environmental improvement can lead to **net gains of up to 60 million jobs worldwide**. We need these jobs. What are we waiting for with unemployment at the current level in Europe?
Energy is critical to the transformation so energy workers are at the center of the transition. Germany, the only country with a nation wide energy plan, has created more than 300,000 new jobs in renewable energy and related manufacturing and services in just a couple of years.

We demand a just transition. Industrial transformation must be supported by 'Just Transition' measures. Trade unions have played their role in UN negotiations; fought for and won commitments for workers and their communities. Now these commitments must be made real and included in the Paris agreement in December 2015. We will continue to fight for a just transition. And we will fight for adequate funding of this transition, just as we will for the poorest and most vulnerable of nations so they can cope with the impacts of climate change.

2015 is a year for the trade union movement to work on three tracks to secure jobs and our planet:

- **A strong global agreement in Paris** which paves the way for a jobs and investment boom and for preventing climate catastrophe in our communities.
- **Country contributions and commitments** that reach for more ambition.
- **Climate action in workplaces and industries with workers and unions through dialogue, consultation and collective bargaining**.

We have a shared future. There are millions of jobs worldwide if we get it right, but it will also take a serious **investment shift**. The role of institutional investors, including workers' pension funds, in helping transition to a low-carbon economy and mitigating the impact of climate change has become a central policy concern for us. According to the International Energy Agency, limiting the increase in global temperature to two degrees Celsius will require additional investments in clean energy of some 1 trillion euros (worldwide) annually between now and 2050.

The incentives for investors to push for a green finance agenda are straightforward: it's about money and return on investment. It's about risk and the unbelievable reality that green economy investment is still less than 2% of portfolio. That's not a long term prospect for securing our jobs or our retirement savings.
In general terms there are three ways for institutional investors to support a zero net carbon economy.
- Be transparent: we have a right to know where our retirement savings are invested.
- Report on the carbon footprint that the investments cover: and
- Increase exposure to clean energy and efficiency assets.

**We support long term investment policy and direct engagement**. This will secure the best chance of sustainability of jobs and business. We support a workers' right to know of corporate plans. We demand engagement to secure the industrial transformation that is vital.

While much could be done by institutional investors and the financial industry themselves in engaging in a proactive agenda on climate change, there are a number of external constraints which require government action.

- **Carbon pricing**: to date green financial products have been made financially attractive above their intrinsic value thanks to government guarantees and public subsidies. As necessary and welcome as these guarantees may be at this point, they do not form a sustainable solution. They cannot substitute for a coherent

policy framework that effectively puts a stable, reliable and economically meaningful price on carbon and with that the eradication of producer-specific subsidies for fossil fuels.
- **Liberalisation vs public service values**: we promote a public service orientation for energy supply and services. We have seen the energy sector change from local and municipal companies to multinational corporations and global giants. At the same time we see these companies privatizing the profits and socializing the debts. A clear example of a failed market approach.
- slow progress to regulate the **excesses of speculative behavior** that created the financial crisis of the 'great recession' - the aftermath of which we are still living with.

We need a new “business” model for the energy industry and all our industries. For the workers in abusive supply chains and for the capital that invests in companies that are increasingly rending jobs more insecure or refusing to bargain for a fair share and for climate.

Rights matter, workers matter and climate justice matters. The transition is taking place, but to make it a success it must be a Just Transition.

This is what EPSU, ETUC and the global trade union movement will be pushing for during the COP21 Climate Change Summit starting 29 November 2015 in Paris. An EPSU delegation will join a trade union summit 14-15 September in Paris. And together with many union collegues we will join the demonstrations in advance of the summit. There will be a demonstration in Paris but also in many other European cities on 28 and 29 November. It is time to prepare and join the growing movement. We need a change for this and future generations.

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