



EPSU Position on the European Green Deal

Challenging consensus on market-based solutions to fight climate breakdown



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The European Federation of Public Service Unions (EPSU) welcomes the Green Deal proposed by the European Commission as a holistic response to the climate emergency. However, this much needed paradigm shift will not succeed if it is not managed in a socially just way. The Commission's ambitious climate plans must be accompanied by an equally ambitious just transition strategy for workers and local communities, and a stronger role for the public sector.

In response to the draft Climate Law published on 4th March, General Secretary of EPSU Jan Willem Goudriaan stated *"The Commission's proposal to enshrine the climate-neutrality by 2050 goal into legislation is historic in ambition, but falls short of the scale of change which is needed to meet the 1.5°C global warming target. This can only be achieved through a just transition for workers and communities, public investment and public ownership."*

This paper outlines EPSU's position on the initiatives being launched this March, namely the Climate Law, Industrial Strategy and Circular Economy Action Plan.

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The aim of the European Green Deal is to decarbonise the economy and fight climate change, as well as to push for global climate commitments. It will comprise a wide range of policies, legislation and measures that will touch upon all sectors, from market and industry to farming and education, and multiple initiatives will be launched in the coming years.

However, if Europe is to achieve its main goal of cutting emissions by 55% by 2030 and becoming climate neutral by 2050, changes need to be made to the very way we approach climate change. Privatisation and profit maximisation do not go hand in hand with climate adaptation, and market based solutions (such as the ETS mechanism), are not enough to confront the combined impact of the climate emergency, which is ecological, political, societal and economic.

To address the climate emergency at the level which is so urgently needed, EPSU calls upon the European institutions to include the following in the European Green Deal:

- **A significant increase in public investment:** The Green Deal should be mainly financed through public investment and loans. Past experiences (such as the Juncker plan) have shown that leverage mechanisms are not effective enough to mobilise the amount of money which is needed. It is highly evident that the private sector is not investing enough to achieve the stated objectives of the Green Deal, particularly with regard to the deployment of renewable energies. It must be emphasised that companies that benefit from public contracts and other forms of public funding need to be fully transparent in every regard, and must respect economical and social standards. Read more on how to finance the Green Deal [here](#).
- **The promotion of public ownership of utilities:** Public authorities and companies are best positioned to deliver the far-reaching reforms needed to ensure a socially just transition towards a green economy.
- **An ambitious Just Transition strategy for workers and local communities:** Well-financed social security systems as well as strong public services will be key to addressing the negative impacts climate change policies could have on the workforce, our families and our communities. Detailed policy planning to anticipate and mitigate social disruption for workers must be at the core of the Green Deal; and
- **Access to water and energy are rights!** The European Commission must ensure universal and affordable access to basic services and common goods. The right to water and Energy must be formally recognised in EU legislation. Water and energy cuts must be prohibited.

The Climate Law

The Climate Law will be the cornerstone around which all other initiatives of the Green Deal package will be built, and will enshrine the climate-neutral by 2050 ambition into legislation. The climate-neutrality by 2050 aim was announced in the draft Climate Law presented on 4th of March, whereas the interim goal of 50-55% greenhouse gas reduction by 2030 is expected to be included in a later draft presented in September. The Climate Law should make sure that an effective and fair transition is possible which is both predictable for investors, and irreversible. The law will ensure that EU policies contribute to the climate neutrality target and that all sectors are involved.

The Commission's proposal to enshrine the climate-neutrality by 2050 goal into legislation is historic in ambition, but falls short of the scale of change which is needed to meet the 1.5°C global warming target. In order to achieve this in a socially just way,

EPSU underlines the following points in response to the Commission's proposal:

- The current intermediary targets are too small to achieve the mid-century climate neutrality goal. **They must be revised and increased to as much as 55% GHG emissions reduction by 2030.**
- The deep structural changes which are needed can only be achieved if there is a **just transition for workers and communities**. The transition should include solidarity mechanisms between regions and sectors, strong social protection for workers affected by decarbonisation, effective collective bargaining in the design and implementation of decarbonisation policies, as well as long term plans and strategies to decarbonise the economy and provide economic sectors and workers with stable policies.
- Without **outlining the key role of the public sector in mitigating and adapting** to climate breakdown, there is a risk that the law will become just another empty measure. Democratising the energy system through public ownership and control of energy, is necessary to ensure a just transition to renewable energy.
- The **national adaptation strategy plans** must be mandatory for each Member State, and the role of public services – especially the role of emergency services – must be clarified. The Commission should provide more clarity on the financing of these plans and on the involvement of social partners in their design.
- **Access to clean energy is a right** and should be recognised as such in the climate law.

Circular Economy Action Plan

The Commission emphasised that for the Green Deal to be successful, there must be a shift from a linear to circular economy, based on the principles of reuse, reduce, recycle. The Commission recognises that change in an industrial sector takes 25 years and that action must therefore be taken in the next 5 years if the desired shift is to be possible. Currently, 20% of greenhouse gas emissions come from the EU (linear) economy. The Circular Economy Action Plan will help boost the development of climate-neutral and circular products in the EU and beyond. It will assist in the fight against climate-change and will help the EU reach carbon-neutrality. The plan will be presented by the commission on the 10th of March.

EPSU supports the circular economy strategy as it will increase sustainability and will contribute to job creation. Establishing a circular economy through waste reduction, reuse, repair and recycling is a necessity in a world of rising consumption and finite resources. The circular economy will be key to achieving the targets outlined in the COP 21 agreement.

EPSU emphasises six key points which must be considered in the drafting of the Circular Economy Strategy:

- **Labour market, worker's rights and involvement of trade unions:** The circular economy strategy will deeply transform the labour market. In order to ensure a just transition for workers, it is necessary to take into account the need for workers' participation, strong social protection and respect for labour rights, as well as a clear role for trade unions. Public service principles such as universality and access, equality, solidarity and affordability should be fully integrated.
- **New green skills and green jobs:** The Circular Economy Action Plan presents a unique opportunity to create new, skilled green jobs. However, the Commission's aim to mainstream circular skills in the Blueprints for Sectoral Cooperation and Alliance for Apprenticeships will not be enough to tackle the skills challenge. The strategy should outline proposals for training and skills building opportunities and propose measures to improve the quality of jobs through up-skilling. Social dialogue and collective bargaining will be important to achieving this.
- **Health and safety of workers:** EPSU calls for improved health and safety measures for workers especially in the waste and waste-water sectors. The principle that what is good for the health and safety of workers is good for the environment and the public must be respected.
- **Quality of jobs, good working conditions and decent pay:** The Commission must ensure quality jobs, decent pay and working conditions throughout the transition into a circular economy. The circular economy will not succeed if the jobs created are of a low quality. Ensuring good quality jobs requires operators and employers to work with trade unions to establish social standards and collective agreements, and to promote gender equality in highly segmented and male-dominated industries. The circular economy strategy should include measures to prevent social dumping,

which can be observed in the waste sector. Collective agreements, social security and enforcement of procurement rules are all important aspects to be covered in the strategy.

- **Support for public services and municipalities in transition to a circular economy:** It is important that municipalities are supported in this transition since they will play a key role tasks such as the overseeing of recycling and collecting waste. Municipalities and publicly owned enterprises can play a positive role in making the circular economy successful, whereas experience demonstrates that profit-maximisation and ecological and social responsibility do not go hand in hand.
- **Green Public Procurement:** EPSU welcomes the idea to incentivise public procurement to go green and to apply the principles of the circular economy.

EU Industrial Strategy

The aim of the Industrial Strategy is to decarbonise energy intensive industries and incentivise the industry to become green. The intention is to further develop new markets for climate neutral and circular products. The Industrial Strategy will therefore be based on the circular economy. This strategy will be announced and presented on 11th March 2020.

The future industrial policy of the EU will only be successful if it includes the **quality of public services**, and issues of fairness and transparency as central components. The EU must use all its instruments to ensure that the industrial base of Europe continues to develop. Industries create jobs and ensure innovation, and should be protected against unfair competition, and third countries which do not respect a level-playing field. Ultimately, unfair competition undermines social and environmental standards, and will hinder the realisation of the EU's climate goals.

EPSU stresses four ways in which public sector must be taken into account in the Industrial Strategy:

- There is a need for **quality public administrations**, such as ministries, environmental protection agencies, labour inspectorates and public employment services. The Commission cannot deliver on its commitment to tackling tax fraud and tax avoidance without strong and well-financed judiciaries, quality tax administrations, and agencies that fight corruption, unfair competition, industrial espionage. Years of austerity have led reduced staffing levels and a lack of funding for such services. The Industrial Policy should contain a chapter that encourages MS and the EU to invest in public administrations to ensure they are appropriately staffed and adaptable in terms of digitalisation. It is vital to invest in public administration stakeholder dialogue, not just with external parties but also with staff who can provide expertise and suggestions on how to support an Industrial Policy that will deliver on the Green Deal, a just transition, circular economy and social fairness.

- **The public sector is a key economic actor in its own right.** The EU should not forget that historically the State (ministries, regional agencies, municipal councils) and public companies have played an important role in innovation and the development of our societies. It can be seen as a considerable lack of foresight that the EU itself did not create its own solar power panel production facilities around 15 years ago. EU public companies promoting public interest should be part of the EU's political project. The data clouds that are required for digitalisation in many industries and public services should be brought into public ownership. Providing sensitive public data on things such as health, the environment and transport to commercially operating companies, will be ineffective and may even undermine European values and democracies. The EU should invest in highly secure publicly owned digital networks with data and privacy protection.
- A strong industrial base cannot be created in isolation, nor do European industrial champions operate in isolation. The industry **benefits from quality public services** such as childcare, which enables fathers and mothers of young children to continue working, as well as public elderly care services which provide much needed support to workers and their families. Public education systems ensure a highly skilled workforce, and industries benefit from fundamental research that is carried out in public universities and research institutions. EU Industries also rely on public infrastructure such as water and waste-water services, electricity networks, waste collection and mobility systems. It is municipalities, regions and the governments working together that create affordable housing and deal with zoning and urban planning. Many of those public services are delivered by local authorities and their role should be recognised in the Commission's Industrial Policy.
- The EU's Industrial Policy should ensure **public funding is subject to social and environmental conditionality.** Public procurement, for example, can be used as a means of steering upwards social and environmental convergence. Companies that benefit from public contracts and other forms of public funding should be fully transparent, including on their taxation, for example by respecting public country by country reporting. Public funds should not go to companies that provide disproportionately large payments and bonuses to their CEO's, CFO's and board members, or to companies that do not share their profits amongst their workers and the public. Companies that receive public funds should respect collective bargaining and have collective agreements in line with the Commission's commitments. The same principles should apply throughout their supply-chains. Responsible Social Business and due diligence must be integral part of the internal policies of all companies that receive public funding, and the policies of other companies in order to ensure a level playing field.

Integrating a public sector dimension in the EU's Industrial Strategy will assist with the realisation of the Sustainable Development Goals and the implementation of the EU Pillar of Social Rights. The public sector is also fundamental to meeting the Paris Agreement's 1.5°C global warming target.



EPSU is the European Federation of Public Service Unions. It is the largest federation of the ETUC and comprises 8 million public service workers from over 250 trade unions across Europe. EPSU organises workers in the energy, water and waste sectors, health and social services and local, regional and central government, in all European countries including the EU's Eastern Neighbourhood. It is the recognised regional organisation of Public Services International (PSI).

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