



Resolution on Energy Strategy for Europe 2011-2020

Adopted at the Executive Committee on 1-2 December 2010

Preamble

This resolution aims at providing a basis for the ETUC and its federations to campaign on energy policy in the next months. This is necessary given the European agenda. The Council on Energy will indeed discuss the European energy strategy 2011-2020 on 3 December 2010. This issue will also be on the agenda of the Heads of States European Council meeting on 4 February 2011 and important strategic decisions will be made in this area in 2011. Therefore, it is crucial for the ETUC to make its concerns and proposals heard.

While this resolution provides a detailed analysis and detailed proposals, the last chapter presents the 20 ETUC priorities for the EU's energy policy by 2020, to facilitate the communication by the ETUC and its federations during this campaign.

Introduction

The Energy Strategy for Europe 2011-2020 will lay out the cornerstones for the EU's future activities in this policy area, closely linked to economy, society and environment.

The ETUC sees the current debate in energy policy as an opportunity to achieve a socially and environmentally sustainable low-carbon economy¹ through democratically controlled regulators, ensuring affordable prices for all, safety and security of supply, demand side management and decent jobs. Our members, as workers and consumers, understand the importance for the economy of safe, reliable, sustainable and affordable energy for businesses and communities. Our jobs and our communities depend on clear policy ensuring that energy is considered as service of general interest.

From this perspective, a coherent EU energy policy is an essential condition to achieve a just transition to a low-carbon economy. Moreover, energy is both an important source of greenhouse gas emissions as well as a main production factor for European industry.

Our industries compete in highly globalised markets. With a fragile economic situation, recovery from the crisis in European industry threatens to be undermined by rapidly rising electricity prices, disruptions in energy supply and exorbitant international price increases in basic raw materials. Electricity prices must be affordable for our industries to survive, whilst higher prices have promoted energy efficiency gains in European industry contributing to lower emissions and investment in innovation.

For the ETUC, competitive energy bills through regulated prices and through policies and measures allowing for improved energy efficiency are a basic factor to increase the chances of survival and transformation of the European industries towards greener production patterns and employment for manufacturing workers in Europe. Consequently, the following ETUC policy proposals aim at reconciling emission reduction and competitive energy bills

Energy prices will inevitably go up. Large investments in energy infrastructure (replacing and updating old generation capacity, adding new (sustainable) capacity, updating infrastructures

¹ ETUC (2010): Resolution on a Sustainable New Deal for Europe and towards Cancun: 1.

for different energy sources, taking account of the contribution of energy use to greenhouse gases as well as increased competition for energy and depletion of resources such as oil and gas drive prices up.

Therefore, there is a need to design policies and measures to improve access to energy for all as well as to avoid social negative consequences of increasing energy prices for the energy consumers, to ensure that their energy bills will be affordable to fulfill their basic needs related to heating, lighting and mobility. Regulated prices will ensure that they do not pay too much for their electricity, gas and other fuels.

The ETUC demands an effective European energy policy promoting a smart grid for European electricity and gas production and transmission to ensure a sustainable energy mix guaranteeing security of supply and affordability for industry and household consumption. This demands a re-evaluation of the Commission's strategy on the liberalization of energy markets, an increased role for European and national public authorities in energy markets, through a European Energy Agency, and national planning and the initiation of new major energy production projects to ensure long term supply of electricity as well as investment in energy efficiency, improved energy technologies and the social anticipation and management of related industrial change.

1. Increase energy savings and efficiency:

In its Stock taking document "Towards a new Energy Strategy for Europe 2011-2020", the Commission identifies underutilized energy savings potential as one of the major shortcomings of the implemented 2007 Energy Action Plan.²

Against this background, the ETUC calls for the establishment of a binding energy saving target for each member state³, to achieve a reduction of overall primary energy consumption by at least 20% in the coming decade, with separate targets for each member state.⁴ Likewise, a recently published study, carried out by German and Dutch research cooperation supports this position. This analysis identified obligatory savings targets as a crucial measure to achieve the aim of saving 20% of its consumed primary energy by 2020.

A reduced energy consumption and an increased energy efficiency can be further fostered through a transformative program, as included in the Spring Alliance Manifesto. A shift of structural funds and the allocation focus of the European Investment Bank (EIB) as well as the use of revenues from auctioned emission allowances would increase considerably the financial basis for energy savings in all sectors of activity.

The ETUC also proposes a European financial initiative for sustainable growth. Accordingly, the European Investment Bank could raise funds on the international bond market and lend them in combination with subsidies to governments to promote investments in climate change protection and energy savings. This initiative would lead to higher temporary public deficits, but it would also provide a wide range of benefits, such as job creation, economic stabilization and an increase of peoples' purchasing power and quality of life.⁵

Moreover, establishing and enforcing dynamic EU-wide minimum energy efficiency requirements for heating and cooling equipment, and for all electronic appliances, as well as applying the top runner approach and stimulating sustainable production and consumption

² European Commission (2010): Stock taking document: Towards a new Energy Strategy for Europe 2011-2020, http://ec.europa.eu/energy/strategies/consultations/doc/2010_07_02/2010_07_02_energy_strategy.pdf: 5.

³ ETUC Position on the climate change and energy package (2008): 3

⁴ Spring Alliance Manifesto: 11

⁵ ETUC's position on the climate and energy package (2008): 2

patterns would create a promoting framework for energy savings.⁶ The ETUC has supported environmental and social criteria in public procurement (works, goods and services) and urges the European Commission to develop with the social partners a framework how such criteria including energy and energy efficiency ones can be used in public contracts.

Energy and industry

The energy price is an important production factor for Europe's industries and must be considered, taking into account that today, several industrial sectors (such as steel, aluminum and paper) located outside of Europe benefit from energy prices which are lower than in Europe.

A considerable energy price increase in Europe could therefore lead to a major loss of competitiveness and further negative consequences for employment. Therefore, competitive energy bills should be provided through

- regulation, as regulators have to control prices and ensure an appropriate return on investment reflecting costs and avoiding excessive profit taking,
- policies and measures ensuring that the necessary investments in energy efficiency take place in industrial sectors, allowing for lower energy bills through decreased energy volumes needed by industries
- policies and measures helping industries develop combined heat and power utilities, as well as have access to dedicated energy sources and decentralized electricity production units, especially since the liberalization process has not led to competitive prices.⁷ Therefore, the ETUC endorses a European and regulated social energy market economy.

Moreover, before closing enterprises threatened by the challenges of the low-carbon transition, a triple analysis should be conducted. This analysis should include social, energy, technological and environmental aspects, to find out which technological adaptations are necessary for the threatened companies and sectors. This information must be used to increase the knowledge on the requirements of the low-carbon transition for businesses, to enable the protection of jobs (including social protection and income) during this process, as well as creation of quality jobs in Europe and reduction of poverty and inequalities.

A major challenge of the low-carbon transition is the reduction of short term loss of competitiveness due to, for example, higher energy prices as a result of an imposed domestic carbon price. In order to avoid negative effects for European growth and employment through "carbon leakage", climate change provision must contain strong provisions addressing international competitiveness.

Such provisions must include social dialogue between government, industry and trade unions at national and EU levels and investment in low-carbon production technology as well as education and training. The search for international sectoral agreements is the main solution, but carbon traceability constitutes a technical condition for their establishment and a powerful incentive for their implementation.⁸

⁶ Spring Alliance Manifesto: 11

⁷ ETUC et al.: Climate change, the new industrial policies and ways out of the crisis:15

⁸ ETUC (2009): Resolution on The climate change, the new industrial policies: 5-6

In coordination with the European Recovery Plans and with a revised European emission trading system, a transformation program must encourage investments in new industrial policies. It must support industries which

- develop low carbon alternatives based on best available technologies, reduce their energy needs, thereby reducing their energy bills and their greenhouse gasses emissions
- preserve their competitiveness as a consequence,
- invest in R&D related to development of sustainable technologies
- invest in training programs for workers to adapt their skills to technological changes
- create new and quality jobs and services contributing to sustainable development.⁹

Energy and the building sector

Another important step can be made through an increase of investments in energy saving measures such as building insulation. Accordingly, a study by the European Climate Foundation demonstrated for Hungary that the need of heating energy can be reduced by 85% through a consistent and broad retrofit programme for houses.¹⁰ This result reveals the potential to reduce energy costs of vulnerable households through energy efficiency measures targeted at social housing.

Moreover, the German Alliance for Work and Environment provides an example of effective implementation of energy efficiency measures in the building sector. This alliance brought together government representatives, environmental NGO's, trade unions and employers' federations, who analyzed potential and requirements in terms of technology and skills for the retrofitting of buildings. "The programme helped to retrofit 342,000 apartments with improved insulation of roofs, windows and walls, along with advanced heating and ventilation systems and installation of renewable energy equipment. Over the period 2001–2006, \$5.2 billion of public subsidies stimulated a total investment of \$20.9 billion, creating or maintaining about 140,000 jobs. The scheme reduced the annual emissions from buildings by 2 per cent. About \$4 billion of the government input was recovered through tax and the need for unemployment benefits was averted. In 2005, the Government increased funding for the programme to almost \$2 billion annually. This led to an estimated 145,000 additional full-time-equivalent jobs in 2006.

Retrofitting of buildings has become one of the key elements of the strategy by the German Government to reduce emissions by 40 per cent by 2020".¹¹

The ETUC calls for such a renovation program for the complete European housing stock, to achieve a rapid and significant reduction of energy consumption in heating and cooling while providing targeted support to housing for people in poverty and promoting compact cities.¹² These measures should be supported by services promoting energy efficient behavior among customers under the responsibility of municipalities.¹³ They should also be supported and accompanied by social dialogue, bargaining and collective agreements to develop quality jobs in the sectors involved.

⁹ Spring Alliance Manifesto: 8

¹⁰ European Climate Foundation (ECF) (2010): Employment Impacts of a Large-Scale Deep Building Retrofit Programme in Hungary. Executive Summary: 3

¹¹ Green Jobs: Towards decent Work in a sustainable, low-carbon world. Policy messages and main findings for decision makers, http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---webdev/documents/publication/wcms_098487.pdf: 23.

¹² Spring Alliance Manifesto: 11

¹³ Dupressior (2010): Impact of climate change on public services in Europe. EPSU Project (Final Draft): 37, Spring Alliance Manifesto: 21

The ETUC also reaffirms its position already stated as a member of the Spring Alliance to “set an EU-wide minimum standard for all new housing to be energy passive or positive by 2015”. Moreover, the energy efficiency of buildings directive, which sets minimum requirements for new buildings from 2020 onwards, needs to be extended to cover existing buildings too, as had been proposed by the European Parliament on its position on the draft directive.

Energy and mobility

Mobility and transport need to be considered as a coherent system, organized to meet specific needs. Urban and rural areas have different mobility requirements. This implies that costs for mobility must not become prohibitive due to energy prices. Both individual and collective transportation systems need to be reconsidered taking into account this aspect. Both investments in mobility and in further improvement of internal combustion engines' efficiency is needed.

Furthermore, an increase of investment in public transport is necessary to reduce energy bills of lower income households.¹⁴ Costs of mobility for workers who have to use their car due to their working time or infrastructural shortcomings can be reduced through the promotion of ride sharing.

From the ETUC's perspective, a Trans-European Transport Network must be created, to promote projects aiming at climate protection, such as combined road-rail transport and waterway connections. A new tax on heavy tonnage maritime shipments and kerosene used in civil aviation provide an opportunity for funding the aforementioned projects.¹⁵

The provision of collective transport through public companies must be prioritized to guarantee broad access and quality for consumers, as well as to reduce energy bills of lower income households.¹⁶

Public investments into new grid technologies are necessary in order to guarantee that electrified road and rail transport contributes effectively to emission reduction.¹⁷

These ambitious measures in the transport sector must be included in EU legislation through a directive on sustainable mobility.¹⁸

2. Protect vulnerable energy consumers:

The ETUC calls for measures to prevent negative social impacts of rising energy prices, the priority being to reduce energy needs by investing in energy efficiency of social housing and affordable low-energy alternatives for vulnerable consumers.

¹⁴ ETUC's position on the climate and energy package (2008): 5

¹⁵ ETUC Resolution (2006): Tackling Climate Change: A Social Priority – Avenues for Action: 111

¹⁶ ETUC's position on the climate and energy package (2008): 4

¹⁷ International Transport Workers' Federation: Transport Workers and Climate Change: Towards Sustainable Low-Carbon Mobility. Discussion Document, <http://www.itfcongress2010.org/files/extranet/-2/24239/ITF%20Climate%20Change%20Conference%20Discussion%20Document%202010.pdf>, p. 45.

¹⁸ ETUC Resolution (2009):10

The ETUC urges the Commission to assess the social consequences of the climate change package in a context of opening up of the electricity and gas market, addressing in particular the impact on vulnerable consumers and electricity public service obligations.¹⁹ Especially, due to the possible increase of 15 to 20% in electricity prices by 2020 as a consequence of the climate change package.²⁰

A universal access to essential energy services needs to be secured to all people living in Europe notably through the provision of social tariffs and through public services. Therefore, enforcing the implementation of the requirement for universal and affordable access to services in existing EU sectoral directives is required, such as through additional provisions on access to a minimum supply of energy, to secure the energy provision of the poor and protect them from power disconnection through establishing a right for energy supply.

In order to ensure service quality, it is necessary to amend EU public procurement rules to include obligatory quality criteria for the public tendering of services. Furthermore, the ETUC calls for an implementation of the European Parliament's request to assess the influences of liberalization and privatization on essential services. This analysis should include all stakeholders, especially users.²¹

Moreover, the National Energy Actions Plans should focus more on measures to reduce "energy poverty", concept that must get a common European definition. The effectiveness of these measures could be increased through a better coordination with the National Action Plans for social inclusion and social protection.²²

3. Grid modernization:

The ETUC reaffirms the position laid down in the Spring Alliance Manifesto to establish "a regulatory and financial framework to promote the development of smart grid capacity to save energy and for the optimal integration of renewable energy, decentralised production and combined heat and power".²³ The ETUC also advocates a strong role for public ownership of electricity networks. In fact, since the 19th century, we have learned that in the context of increasing benefits, medium and long-term investments favor oligopolistic groups.

In addition to enhanced investments in central and decentralized grids, increased investment is also required in energy storage, to allow the grid to cope with fluctuations stemming from the increased feed-in of renewable energy in the grid. A strengthened focus on the promotion of production from gas as well as combined heat and power generation would also enable to improve the adjustment of electricity production to the aforementioned deviations, enhancing the security of supply. Adjustment of electricity production between national markets must be promoted to use the most sustainable production capacity during peak demand.

Smart meters, associated to smart grids, are often presented as a necessary tool to foster energy savings in private households. For the ETUC, consumers should not bear the costs of this investment either directly or indirectly, and measures should guarantee protection of consumers' privacy. Furthermore, the ETUC calls for a thorough assessment of the impact of

¹⁹ ETUC (2008): ETUC's position on the Climate change and energy package: 5

²⁰ Ibid: 5

²¹ Spring Alliance Manifesto:17

²² Spring Alliance Manifesto:,18

²³ Spring Alliance Manifesto: 12

smart meters, including the effect on employment, energy efficiency and universal accessibility.

4. Diversify energy sources and guarantee a secure supply

Europe must aim at ensuring its energy independence and diversify its energy supply, through strategic planning and by means of an ambitious adjustment in favour of renewable energy to the detriment of fossil fuels.²⁴ In this context, the EU must commit itself to the challenges with which the new member states are confronted.

The Spring Alliance called for an obligatory share of at least 35 % of renewable in electricity supply EU-wide by 2020 and for a promotion of decentralized production and consumption of electricity, heating and cooling.²⁵

The ETUC emphasizes that enormous and immediate public as well private investments are required to achieve this renewable energy target involving investments not only in supply of electricity produced with renewable but also huge investments in smart grids, in energy storage, and in production capacities that can be started quickly (mainly with natural gas, including through combined heat and power) when production with renewable sources is insufficient.

Likewise, negative impacts on employment, such as through a loss of competitiveness due to increased energy bills, have to be avoided.

Increasing the use of wood biomass for energy production runs the double risk of both job losses and of actually producing net CO₂ emissions. Energy use of wood and the public subsidies for promoting it contribute to the wood industry paying higher prices for its raw materials and can also lead to shortages of these materials, leading to loss of employment in the whole chain of production related to the industrial use of wood. Meanwhile, the amount of related new jobs in energy production is very limited due to the chain of production being considerably shorter in the case of the energy use of wood.

From climate change point of view, burning wood raw material rather than using it to produce building products, creates net emissions of CO₂. In buildings CO₂ remains stored in wood products for a very long time, after which the wood can often still be recycled for use in the furniture industry, for instance, thus continuing the storing of carbon. Only when recycling is no longer possible should the wood be finally burnt into energy. On the basis of wood's unique qualities, the IPCC too has argued for increasing the use of wood as a building material.²⁶ From the ETUC's perspective, public subsidies for increasing the energy use of wood need to be very limited and so designed that the negative effects on the industrial use of wood is minimized.

A European regulation authority should ensure an adequate renewable energy target for each member state, taking into account indicators, such as the level of economic development and the potential for an increase of renewable energy production.

In this perspective, a political decision should be promoted at the forthcoming Energy Summit for the development of a **European energy solidarity pact**. Such a pact would respond to the inclusion of 'solidarity' and energy policy in the Lisbon Treaty, as well as ensure a basis for

²⁴ ETUC Resolution (2006): 6

²⁵ Spring Alliance Manifesto: 12

²⁶ IPCC (Intergovernmental Panel on Climate Change) (2007) Climate change 2007: mitigation of climate change. Contribution of Working Group III to the Fourth Assessment Report. <http://www.ipcc.ch>

common and ambitious European energy policies. It would not simply be related to financial transfers between countries, but to collective development of the renewable potential around Europe's regions, a sustainable energy mix and building infrastructure links and trust between countries on energy supply questions. It would contribute to greater European cooperation which would go beyond merely coordinated but fragmented national markets, with a strong role for public authorities.

However, energy from renewable resources will not be able on its own to reduce the risks of energy shortages.

Provided that technologies for clean-burning and carbon capture and storage are put to use, coal can be part of the solution. Coal is distributed in a more diversified way than gas and oil, and resources are available. Clean coal technology offers significant export opportunities in the emerging countries, provided that workers' health and safety requirements are put in place, in particular in China and, closer to home, Ukraine.²⁷

Turning to nuclear energy, decision-making and implementation must be conducted in a fully transparent and democratic climate with a contribution of independent experts and scientists. That will require better protection of workers in the nuclear industry and adoption of strict rules for security and waste treatment as well as rigorous monitoring mechanisms, also taking into account the limited natural resources and specific problems linked to the use of nuclear energy, such as nuclear waste management. Furthermore, it must be examined how liberalized markets can help to meet these requirements²⁸ and be decided on policies and measures required if they don't, in order to ensure that these requirements are fulfilled.

The EU should consider the implications of constrained supply of in particular oil, its increasing price and dwindling reserves, also called peak oil, for the European economy. The social partners are to be fully involved in such research.

In order to secure its energy supply, Europe must stand united in its relations with outside energy suppliers and must promote, via these dialogues, a social dimension including respect for human and trade union rights and democracy.²⁹ Energy Treaties and energy dialogues must contain a chapter on the social aspects based on the Memorandum of Understanding on the social aspects of the Energy Community. The European Commission and country concerned should also provide for discussion between the trade unions of the EU and the country concerned.

Moreover, an effective European energy policy cannot overlook the importance of a sound management of strategic stocks. Such management would ensure regular supplies of oil and natural gas, including in the event of a complete shutdown of outside supplies, and would discourage the use of oil and natural gas supplies for political purposes. In respect to oil, this could require criteria for the exploitation of oil fields located in Europe, which in turn would call for a careful management of resources, along with a minimum European refining capacity. In the case of natural gas, effective action requires planning for the compulsory accumulation of strategic stocks in keeping with the principle of "reciprocal assistance" among member states.³⁰

²⁷ ETUC Resolution (2006): 7

²⁸ ETUC Resolution (2006): 7

²⁹ ETUC Resolution (2006): 5

³⁰ ETUC Resolution (2006): 6

5. Create a European Energy Agency to promote a common European energy policy and improve energy market regulation

A democratically controlled European Energy Agency must be established to promote a coherent European energy policy through coordination, support and monitoring. Increased policy coherence is especially crucial in the areas of grid investments, R&D and innovation, energy import contracts, investments in production infrastructures, and energy services dedicated to improving energy efficiency and energy savings. Such an institution should have involvement of the social partners, representatives of low income households, environmental organizations for example in the Board or through an advisory council.

A full evaluation of the internal market for electricity and gas is needed. The ETUC supports the idea of a regulated and social European energy market economy, but rejects the proposals of the Commission to move forward with further liberalization without being clear what the implications are for employment, investment, prices and reductions of greenhouse gas emissions. The social partners should be involved in all stages of this evaluation as well as in the definition of further steps. The above mentioned institution must evaluate the liberalization process which has neither contributed to ensure competitive prices³¹ nor investments in necessary production capacities in Europe. It should adopt the necessary policies and measures to reach these objectives, including long term contracts for energy imports, and provisions for strategic planning and investments.

Simultaneously, the authority must ensure high safety standards in nuclear electricity production and waste management, and more specifically avoid their erosion in the face of increasing competition, to protect workers and citizens. Thus, special controlling measures are necessary for workers in contracting companies to prevent circumvention of high standards.

Moreover, the energy price should be calculated on its costs, taking into account the whole life cycle of each source. This should include energy production, distribution, recycling, deconstruction of the production facilities, energy storage and waste storage.

Furthermore, a “carbon balance” of every transport and energy system (such as nuclear, solar and biomass energy) should be elaborated through independent expertise. This analysis must take into account energy sources’ complete life cycle, including the stages of production, transport, waste treatment, recycling and deconstruction of production facilities.

A round table with the social partners must be established in this framework to discuss these issues and to promote social progress in Europe and out of Europe, through energy provisions including the need to respect human and labour rights, and democracy.

6. Give the right economic signals to reduce greenhouse gases emissions through energy policies

For the ETUC, the European Union must give the right economic signals, in particular a price signal that could take the form of a CO₂ tax (also taking into account that China is about to adopt one) provided that a number of conditions are met³² including: that any CO₂ tax must form part of an environmental approach aimed at giving a price signal rather than having a

³¹ ETUC et al.: Climate change, the new industrial policies and ways out of the crisis: 15

³² See ETUC resolution of June 2010 www.etuc.org/a/7395.

budgetary logic; the enlargement of the tax to also cover energy; the revision of the ETS system; that the tax mentioned should not apply to industries already covered by the ETS and that double taxation should be avoided (in some countries there is already a tax on energy usage); the creation of a European regulator; the availability of sustainable alternatives at accessible prices (regular and outstanding public transport systems, energy-efficient housing, ...); targeted compensation measures, sector by sector; the inclusion of social and environmental criteria into all public authorities' decision making processes; the spending of the revenues transparently and totally on internal investment measures to reduce emissions, on climate support for the developing countries and to finance the necessary compensating measures for low income households.³³

In the automobile sector, an economic signal was given by announcing a tax in the case a fixed ceiling of CO₂ emissions / km would not be respected. This could be looked at as a positive example to be used in other sectors as well, also in the perspective of worldwide sectoral agreements to be negotiated in the future.

Moreover, institutional mechanisms to avoid financial speculation, which also have an increasing impact on energy prices, should be developed. The aim is to ensure that speculations, mostly stemming from off-shore market agents, do not affect energy prices in the future.

7. Establish funding, regulation and effectiveness of research and development (R+D)

From the perspective of funding, public financial support for research plays a crucial role in the transition to a low carbon society, especially in the area of green technologies and services, such as renewable energy and energy advisory and efficiency services. Public monetary assistance enhances innovation and simultaneously contributes to enhance investments and employment in this sector.³⁴ Likewise, barriers to the development of renewable energy production, such as solar, wind, sustainable biofuels, tidal, wave and geothermal, including market operation practices, should be removed. Moreover, especially local production and use of these energy sources, including “net metering” and merits promotion should be encouraged.

Additionally, strategic planning is a valuable tool to avoid negative impacts on environment and society.³⁵

Public investment, redirection of financial flows and regulation are also essential aspects in relation to R&D for the carbon capture and storage (CCS) technology. CCS is indeed unavoidable in the transitional phase, both in connection with the production of electricity, which will remain partly dependent upon coal and gas, and in connection with the conditions for the survival of and ensuring adequate access to high voltage electricity for many sectors of industry. The deployment of carbon capture and storage depends on certain conditions: coordinated

European investment in R&D and demonstration programmes, specific worker training programmes, and initiatives to promote public awareness and confidence, which will be best ensured through public regulation of carbon transport and storage facilities.³⁶

³³ ETUC resolution (October 2010):, 13

³⁴ European Centre for the Development of Vocational Training (CEDEFOP) (2010): Skills for Green Jobs – European Synthesis Report, <http://www.cedefop.europa.eu/EN/publications/16439.aspx>: 6

³⁵ Spring Alliance Manifesto: 12

³⁶ ETUC Resolution (2009): 7, Brochure 2010: 24

Agreeing with the Commission's position articulated in a communication on the SET Plan that public intervention is "fully justified to achieve public policy goals and help overcome market failures"³⁷, the ETUC calls for an increase of public funding at the European, national and sectoral level. It can be implemented by strengthened member states' commitments to spend 3% of GDP on research and development, with at least one third of this amount coming from public sources.³⁸

Furthermore, a European fund³⁹ should be created to promote R+D and to improve technology transfer policies fostering development and diffusion of technologies. Technology platforms at the European level and intensified cooperation between industries and research centres are examples of instruments to improve the effectiveness of R+D. Trade union participation should be guaranteed. The conclusions of such European cooperative R&D platforms should be better implemented and adequately resourced.

In order to increase R+D efforts, the allocation of emission allowances should be linked to businesses' R+D expenditure on green technologies. Moreover, the implementation of new financing instruments, such as the financial transaction tax should be taken into account.⁴⁰

The Belgian EU Presidency and the European Commission currently prepare the launch of an Energy Industrial Roundtable, which aims at bringing together key European industrial agents to single out how technological challenges and crucial financial needs can be met. The ETUC supports this initiative and calls for an important role for the trade unions on this table. The workers are the main agents of this technological transformation and the first who will be confronted to the changes in competences and skills. Likewise, workers will be the first concerned with issues on health and safety at the workplace as well as job quality related to these technologies.

8. Sustainable and quality employment programs to anticipate structural changes in employment patterns benefit from employment creation and avoid negative economic and social consequences for workers from the shift towards a low carbon economy:

Income, jobs and working conditions are likely to change most profoundly in sectors which emit the highest levels of greenhouse gases and in which these emissions are difficult to convert.⁴¹ Specifically, the electricity, automobile as well as the iron and steel sector, play an important role in regards to climate change mitigation measures. The ETUC demands that the European Commission mainstreams employment, vocational education and training issues in its sectoral policies. Several sectors, such as electricity and gas, are experiencing an aging workforce, which can have a negative effect on realizing many of the ambitious objectives the EU sets itself. The lack of this dimension in the recently published Energy Strategy 2020 is unacceptable. Without qualified men and women Europe's energy future will not be realized.

According to the 2007 ETUC study on "climate and employment", in the electricity sector, income and training policies should enable employees of fossil energy production facilities, to

³⁷ European Commission (2009): Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, http://ec.europa.eu/energy/technology/set_plan/doc/2009_comm_investing_development_low_carbon_technologies_en.pdf, p. 10.

³⁸ Spring Alliance Position Paper: 21

³⁹ Draft of ETUC Resolution (2010): 6

⁴⁰ Draft of ETUC Resolution (2010): 7

⁴¹ ETUC et al. (2007): Climate Change and Employment: Impact on employment in the European Union-25 of climate change and CO2 emission reduction measures by 2030: 169

find work in the growing renewable energy sector, in particular in the field of maintenance. However, the creation of new jobs in the renewable energy sector contains the more general risk that this newly created employment is less well-paid and less secure than in the established sectors. Therefore, the ETUC stresses the importance of closely monitoring the quality of the created jobs.⁴²

According to a study on the employment impact of climate change mitigation, CCS technology, which could be available from 2030 on, could play a crucial role for the future development of the electricity sector. CCS could reduce the greenhouse gases emitted into the atmosphere through electricity production from fossil fuels and also limit job losses.⁴³

An analysis of the automobile sector's future challenges reveals that, adaption to climate change will have a limited employment impact on the engine assembly sector by 2030. This is because due to the hybrid transition a considerable share of the future engines will be still be conventional. By 2030, the shift from conventional to electric engines may cause job losses, which may be compensated by employment effects in sectors such as equipment manufacturing. The main challenges in the automobile sector's adaptation to climate change, including engine downsizing and hybridization and electrification of vehicles, provides potential to create jobs. However, in order to benefit from this impact, restructuring the thermal engine production process will be necessary. The employment effects of this transition depend crucially on support policies adopted at the European, national and sectoral level, based on adequate financial resources.⁴⁴

Due to its energy intensive production process and its exposition to international competition, the iron and steel sector is particularly prone to carbon leakage. Accordingly, free emission allowances until 2020 and investments in new technologies (such as ULCOS and CCS) must enable to protect the jobs of this industry and adapt it to the necessities of climate protection.⁴⁵

Moreover, the data available on companies' emissions should enable to benchmark these against the best low-carbon technologies, providing a framework for ambitious and economically sensible climate change adaptation efforts by the industry.⁴⁶

According to ECF, an increase of the employment effects related to the transition and the creation of quality jobs requires training programmes to enable the development of new sustainable industries and services. Important areas are renewable energy, energy efficiency (inter alia in labour intensive sectors, such as building refurbishment⁴⁷) and public transport.

Therefore, the ETUC emphasizes its claim, articulated through the Spring Alliance, "to develop transition programs to anticipated changes in employment patterns, together with stakeholders". Likewise, a European framework should be developed by 2011 to guarantee an adjustment of education curricula and programs to future environmental and social changes. This framework should provide training for the complete chain of providers, installers as well as suppliers in the fields of renewable energy and energy efficiency.⁴⁸

⁴² ETUC et al. (2007): Climate Change and employment: 73

⁴³ ETUC et al. (2007): Climate Change and Employment: Impact on employment in the European Union-25 of climate change and CO2 emission reduction measures by 2030: 169

⁴⁴ Syndex et al: Climate disturbances, the new industrial policies and ways out of the crisis: 51-52

⁴⁵ ETUC: Employment and climate policies in Europe : 7

⁴⁶ Sandbag (September 2010): Cap or trap? How the EU ETS risks locking-in carbon emissions: 11

⁴⁷ ECF (2010): 6

⁴⁸ Spring Alliance Manifesto: 21

Therefore, the ETUC calls to set in place the conditions for achieving an exact evaluation of the situation in terms of employment by Member State and by sector, under the coordination of the European Commission, with a view to climate imperatives. In this way, the European Commission will be in a position, together with the Member States and the social players, to define the needs and resources necessary for the implementation of the transition towards a low carbon economy for Europe. An example of a key qualification allowing an effective promoting of energy efficiency in buildings, is to provide specific training for construction workers to provide them with new professional opportunities, such as “energy advisor”.

According to the CEDEFOP, these publicly provided measures should refer especially to small and medium sized enterprises (SMEs), since the current economic downturn has even enhanced their difficulties in accessing finance.⁴⁹ Achieving a low-carbon economy rather depends on adapting and improving existing skills base, than on developing specific green skills as ETUC studies from 2007 and 2009 and the recently published CEDEFOP analysis pointed out.⁵⁰ The latter also emphasized the crucial role of mainstreaming environmental education into education and training systems.⁵¹

Moreover, the ETUC points out the crucial role of the early provision of education on sustainable development and on energy efficiency, such as through primary school teaching and in adolescents’ initial vocational training.

It must be taken advantage of the transition towards a low-carbon economy to create quality jobs,⁵² in this respect the Europe 2020 flagship initiative is not enough.⁵³ In order to create sustainable green jobs, the climate protection policies, such as insulation programmes for housing, should be consistent and of long-term character.⁵⁴

Quality jobs should also be promoted through making an adherence to social and environmental standards a condition for benefitting from public financial support.⁵⁵ Ecological and social criteria in public transport contracts foster the implementation of sustainability in this sector.⁵⁶ Due to companies’ tendency to lower labour costs as a reaction to competition, social standards negotiated through the social dialogue should be implemented to avoid social dumping.⁵⁷

Likewise, an enlargement of the Globalization Adjustment Fund to finance measures for workers affected by climate protection measures would reduce negative socioeconomic consequences for them, providing alternative employment and income protection.⁵⁸

9. Establish permanent consultation of social partners on social and economic impacts of climate change policies.⁵⁹

Drawing on the experience of the social partners, the social dialogue can effectively identify opportunities of the transition process, encourage vocational changes and ensure societal

⁴⁹ CEDEFOP (2010): 6

⁵⁰ CEDEFOP (2010): 8

⁵¹ CEDEFOP (2010): 15

⁵² Spring Alliance Manifesto: 21

⁵³ ETUC Position on the financing and managing of climate policies (2010): 4

⁵⁴ European Climate Foundation (ECF) (2010): Employment Impacts of a Large-Scale Deep Building Retrofit Programme in Hungary. Executive Summary: 7

⁵⁵ ETUC Position on the financing and management of climate policies (2010): 3

⁵⁶ European Transport Workers’ Federation (ETF) (2010): Trade Union Vision on Sustainable Transport, http://www.itfglobal.org/files/extranet/-75/9205/Brochure_TRUST_EN.pdf: 17

⁵⁷ ETF (2010): 19

⁵⁸ ETUC Position on the climate change and energy package (2008): 2, Spring Alliance Manifesto: 21

⁵⁹ ETUC’s position on the climate and energy package (2008): 2

support to climate change policies. An example is possible redeployment of older construction workers in energy auditing. The social dialogue enables workers and employers to benefit from the positive potential, the necessary adaptation to climate change provides.⁶⁰

The ETUC calls for ensuring and promoting of social dialogue instruments as well as collective agreements at all levels (European, national, regional, sectoral, companies, ...) to implement green and social growth effectively.⁶¹

In order to anticipate structural employment changes resulting from climate protection and consequently from increased energy efficiency and implementation of (new) technologies relating to energy production and consumption, the conditions for a precise evaluation of the transition's impact on employment in the different member states and sectors under the guidance of the Commission should be secured.

A European framework should therefore be created to foster the discussion and definition of necessities and measures for a just transition towards a low-carbon economy between Commission, member states and social partners.⁶² Specifically, this social dialogue would enable to identify and manage upcoming changes in employment and skills.⁶³

Moreover, a European Agency should ensure carbon traceability for products, specifically for those which are likely to be affected by "carbon leakage" and thus could lead to the loss of jobs and investment to countries with lower carbon reduction commitments⁶⁴, and organize a roundtable for the discussion of this "carbon leakage" issue, involving trade unions and other relevant stakeholders. Effectively addressing the issue of carbon leakage is a precondition for the ambitious tackling of climate change in the European Union.

From the ETUC's perspective, the points of this resolution are crucial to allow all people, as workers and consumers, to benefit from Europe's energy policy and to contribute effectively to the aim of a low-carbon society.

10. The ETUC's 20 priorities for the EU energy policy by 2020

1. Develop a European energy solidarity pact
2. *Guarantee a secure supply*
3. *Create a democratic European Energy Agency to promote a common European energy policy of general interest and improve energy market regulation*
4. *Ensure energy bills reflect just prices (socially fair, affordable, based on fair rate of return and not on excessive profit taking)*
5. *Protect vulnerable energy consumers and reduce the energy bill of low- and medium income households*
6. *Give the right economic signals to reduce greenhouse gases emissions through energy policies*
7. *Establish funding, regulation and effectiveness of R&D*
8. *Integrate social and environmental criteria in public contracts for energy infrastructure and award EU funding only to companies with a solid CSR policy*

⁶⁰ ETUC et al.: Climate Change and Employment: Impact on employment in the European Union-25 of climate change and CO2 emission reduction measures by 2030 - Synthesis: 9.

⁶¹ ETUC (2009): Resolution on The climate change, the new industrial policies and the ways out of the crisis adopted by the Executive Committee: 12

⁶² Draft of ETUC Resolution (2010): 8

⁶³ ETUC Position on the Climate and Energy Package (2008): 2-3

⁶⁴ ETUC Resolution (October 2010): 6

9. *Modernize grids adopting a regulatory and financial framework to promote the increase of smart grid capacity, to foster energy savings and to allow an optimal contribution of renewable, decentralized production as well as combined heat and power generation*
10. *Increase energy savings and energy efficiency in the industry, building and transport sectors and achieve a reduction of overall primary energy consumption by at least 20% in the coming decade through a binding energy saving target for each Member State*
11. *Establish a transformation program encouraging investments in new industrial policies based on low-carbon emission*
12. *Establish a renovation program for the complete housing stock*
13. *Provide sustainable and affordable public transport*
14. *Diversify energy sources by developing renewable energies and other low CO₂ emitting alternatives such as combined heat and power*
15. *Establish a directive on sustainable mobility ensuring an improved coordination of transport units as well as production and distribution systems*
16. *Take advantage of the transition towards a low carbon economy to create quality jobs*
17. *Ensure sustainable and quality employment programs anticipating structural changes and avoiding negative social consequences from the shift towards a low carbon economy*
18. *Establish permanent consultation of social partners on social and economic impacts of climate change policies*
19. *Promote human, trade union rights and democracy by using them as criteria conditioning public funding and when establishing energy dialogues and cooperation*
20. *Ensure high health and safety standards in the energy sector and in all sectors of energy use and efficiency to protect workers and citizens*