

Trade Union proposals for mainstreaming Employment and other Social elements in a post-2012 Climate Agreement in Copenhagen

This document provides specific text proposals for insertion into the different sections of the Bali Action Plan, with a view to their inclusion in the final document to be adopted at COP15. In each case, specific wording recommendations are followed by a short explanation of the rationale for the trade union proposals. The document focuses on the employment and social elements that need to be strengthened in the COP15 document and so should be seen as a part of the full trade union position elaborated in our publication "Trade Unions and Climate Change"¹.

A shared vision for long-term cooperative action

Proposal and rationale for including an overarching clause providing for a "Just Transition framework" in the next climate agreement:

Scope, nature and elements of a shared vision for long-term cooperative action

"The Parties shall, in implementing their commitments,.....

".....ensure a Just Transition to sustainable, low-carbon economies, as the key instrument to guarantee a socially sustainable outcome. This is to be done through socially responsible and green investment, low carbon development strategies, and by providing decent work and social protection for those whose livelihoods, incomes, and employment are affected by the need to adapt to climate change, and by the need to reduce emissions to levels that avert dangerous climate change;

In support of their commitments, the Parties shall undertake:

- equitable sharing of responsibilities and fair distribution of the costs between and within countries; those who have contributed less to the problem should not bear the burden of the transition costs;
- institutionalised formal consultations with relevant stakeholders including trade unions, employers and communities, at national, regional and when appropriate, sectoral levels;
- the promotion of decent green job opportunities and investment in low carbon development strategies and technologies;
- formal and non formal education, training, retraining, and life-long learning for workers, their families, and the communities that depend upon them;
- organised economic and employment diversification policies within sectors and communities at risk;
- social protection measures (active labour market policies, access to health services, social insurances, among others);
- respect for and protection of human and labour rights."

Rationale

The future agreement needs to be based on a broad and sustainable political consensus around the need for ambitious emission reduction measures, if it is to provide the stable framework on which governments and enterprises can base strategies and investments.

¹ The statement is available at :

English: <http://www.global-unions.org/pdf/COP14TradeUnionsClimateChange.pdf>

Español: <http://www.global-unions.org/pdf/COP14TradeUnionsClimateChange-ES.pdf>

Français: <http://www.global-unions.org/pdf/COP14TradeUnionsClimateChange-FR.pdf>

The agreement needs to signal to all countries and stakeholders that the signatories are mindful of its social and economic impacts and that it proposes a strategy for addressing them, in particular with respect to the damage caused by climate change, the right to development in a carbon-constrained world, and the need to transform job losses into new green job opportunities. The latter is particularly important in the current economic crisis.

Opportunities exist today, including under economic recovery plans, for promoting green growth, creating new and sustainable jobs and eradicating poverty. Wise investments under these plans could allow us to overcome the main challenge for achieving climate protection, which is its compatibility with economic and social development.

Ambitious mitigation measures will have far-reaching impacts on economies and sectors. There will be new "green" jobs created, and there will also be losses of economic activity, employment and income in certain sectors and regions of countries. If not properly and democratically managed through a "Just Transition", fear of these impacts may generate barriers for developing green and decent jobs in new sectors, as a transition perceived as unfair may push governments, sectors, workers and populations affected by these losses to oppose an agreement and slow down or even impede the transformation to low-carbon economies.

Ensuring that negatively affected sectors and regions benefit from such new "green and decent" job opportunities, so far often insufficiently exploited, is a potentially vital component for achieving broad consensus around climate policies.

In addition, whatever measures are taken, some degree of climate change is unavoidable and will have negative impacts on development, livelihoods and incomes of many countries and individuals. This makes it all the more vital that Just Transition policies be implemented in order to avoid the weakest of the planet suffering from them. Governments have to guarantee a just path for the transition, internationally, to protect the most vulnerable countries and nationally, to protect the most vulnerable in society. Processes for adapting to climate change – if properly managed – could represent opportunities for social and economic development and poverty reduction. They require, in addition to previously mentioned measures, information, awareness-raising, and capacity building.

Both mitigation and adaptation will require accompanying social measures in order to provide opportunities for communities, enterprises and workers to become part of a sustainable low-carbon economy. In this context, a Just Transition framework is part of the relevant policy toolbox, one of the essential elements in the international effort needed in order to attain the IPCC recommendations for GHG reductions (for full details of the trade union position, see our publication "Trade Unions and Climate Change", footnote #1).

Its inclusion will mean the terms "employment" and "income" are explicitly included in the next agreement's text. General references to 'socio-economic impacts' are already in the Convention and related documents, but they are not sufficiently specific to reassure countries, communities and workers concerned about their future. The agreement should include provisions through which governments address hardship and which contribute to fair, equitable sharing of the burden and the benefits of mitigation and adaptation.

See agreed intergovernmental references to Decent Work and Just Transition in Appendix I.

Following the above overarching considerations, the subsequent sections of this document consider other particular headings or proposals under the Bali Action Programme.

Enhanced action on mitigation

Policy approaches and positive incentives on issues relating to reducing emissions from deforestation

The next agreement should encourage Parties to:

- Attain benefits in respect to poverty alleviation, decent job creation and rural development needs;
- Address social implications and recognise and respect the rights and the roles of workers, rural communities and native and indigenous peoples, and ensure full and effective participation by these peoples and communities in all stages of decision-making, in accordance with the ILO Declaration on Fundamental Principles and Rights at Work and the UN Declaration on the Rights of Indigenous Peoples;
- Promote sustainable forest management and be consistent with long-term sustainable land management and the conservation of native forests.

And, as a positive incentive, call on Parties to:

- Establish minimum standards for benefit sharing, developed with full and effective participation of indigenous peoples, workers' organisations and local communities.

Rationale

UNFCCC parties must agree on strong commitments to reduce emissions from deforestation and ultimately bring deforestation to a halt. Social policies are a prerequisite for success in forest conservation as well as in forest industry. Attention should be given to indirect drivers of deforestation and forest degradation at the national and local levels, including illegal logging and extra-sectoral causes like agriculture (for food, fibre or energy), or infrastructure development. Establishing sustainable forest management in commercial forests is needed to protect their climate function and ensure the livelihood of millions of people on a long term basis.

Cooperative sectoral approaches

The next agreement should pursue the following as objectives for sectoral approaches and sector-specific actions, to:

- Prevent carbon leakage and address competitiveness concerns;
- Ensure that governance and decisions on emission reduction targets are made by governmental authorities, with transparency in decisions regarding the best available technologies as well as the sectoral distribution of reduction efforts.

The agreement should call on Parties to enhance the potential of sectoral approaches through:

- Catalyzing and encouraging sectoral cooperation and providing a means of recognising the benefits of sector-specific actions;
- Setting clear guidelines for intra-sectoral transfer, and avoiding its use as a framework for reducing companies' costs for transferring equipment with no additionality.

Rationale

While trade unions highlight their interest in a sectoral approach to emission reductions, we stress the need for any sectoral approach to ensure that decisions on emission reduction targets continue to be made by governmental authorities. Analysis is needed of consequences for the enterprises (including SMEs) from the sectors involved, including employment and competitiveness, as well as the establishment of sectoral dialogue mechanisms with the relevant social partners and identification of protective measures.

Trade unions emphasise the need for caution about the risks of “privatising” climate change regulation, by diluting national commitments in favour of unregulated engagements by enterprises. Trade unions call for governments to maintain the responsibility for managing their emission reduction commitments.

Various approaches, including opportunities for using markets, for promoting mitigation actions

Regarding the design of market-based mechanisms, the next agreement should:

- Promote genuine sustainable development and poverty eradication;
- Include social criteria and “broad societal values and norms” in the assessment and approval of Clean Development Mechanism (CDM) projects in developing countries;
- Include co-benefits related to positive social outcomes such as number of new jobs created, contribution to alleviating unemployment, and the number of people acquiring new skills;
- Create and improve binding ex-ante and ex-post consultation mechanisms regarding implementation of CDM projects in host countries;
- Identify and analyse environmental and social aspects related to the construction, exploitation and end of service of all projects.

New approaches should enable:

- The assessment of labour market impacts and adopting Just Transition measures; promoting labour-management initiatives for “greener” workplaces; and using labour policies to identify opportunities for sustainable jobs, greening existing jobs, and alternative employment opportunities in cases of unsustainable jobs;
- The analysis of consequences for the enterprises (including SMEs) from the sectors involved, including employment and competitiveness, as well as the establishment of sectoral dialogue mechanisms with the relevant social partners and identification of protective measures.

Rationale

A commitment to eradicating poverty, promoting equality, and realising sustainable development while reducing emissions necessitates concrete steps to incorporate a social dimension during the implementation phase of the Clean Development Mechanism (CDM) and Joint Implementation (JI) and Emissions Trading (ET) projects. Sustainable development criteria are essential in order to ensure that projects secure additionality.

Economic and social consequences of response measures

The agreement should contain:

- A mandate for the UNFCCC and governments to undertake comprehensive analysis of the social and economic effects of mitigation measures, leading to an international methodology aimed at measuring and analysing global, regional and sectoral impacts of mitigation policies in jobs, income, competitiveness and poverty, as well as in other social, environmental and economic matters;
- A mechanism for exchanging best practices in addressing the economic and social consequences of response measures;
- Measures that can serve both GHG emission reduction efforts and priorities of developing countries, including development, employment creation or poverty eradication. The co-benefit approach aims at implementing such measures and thus should constitute an important pillar of development strategies in developing countries;
- The establishment of a World Climate Change Fund (Green Fund) that would support efforts to adapt to the adverse effects of climate change and the impacts of response measures, in addition to other needs.

Rationale

Trade unions have consistently called for a better analysis of the social and economic effects of mitigation measures, and we welcome the development of this discussion. The next agreement should strengthen the Convention's role by facilitating analysis and gathering further information on the impacts of response measures and on successful approaches to economic diversification.

Strengthening the catalytic role of the Convention

The next agreement should encourage Parties to:

- Promote institutionalised forms of dialogue for dealing with the downside of reducing emissions of GHGs. Workers and employers should be assured that a green environment for society does not mean unemployment;
- Promote tripartite social dialogue at different levels in order to further enhance coordination and cooperation required to ensure multidimensional analysis and implementation of climate policies. At the international level, this requires involving the International Labour Organisation (ILO).

Rationale

In order to minimise their cost and negative impacts and to materialise their benefits, environmental, economic and social policies and programmes need to be well informed, coherent, broadly supported and able to engage stakeholders.

Enhanced action on adaptation

Adaptation planning and implementation

The next agreement should encourage Parties to:

- Make use of social dialogue and consultation as a tool for planning adaptation strategies and for strengthening national and local delivery mechanisms.
- Mainstream poverty eradication and decent work creation in adaptation policies (since the provision of a sustainable income reduces vulnerability);
- Develop and improve methodologies for translating climate information into social and economic benefits;
- Work with workers’ organisations, as well as other community-based organisations in spreading information about adaptation strategies in communities.

Rationale

Poor communities in developing and developed countries are already suffering most from the impacts of climate disruption. They are particularly at risk because they are poor; it is clear that the struggle to adapt to climate change should not and cannot be separated from the fight against poverty and for a more just and equitable society.

Climate change feeds into the vicious circle of poverty by adding more barriers to development. Environmental events generate huge amounts of stress for poor households: droughts, resource depletion and floods, among others, are either at the source of or reinforce their already critical social and economic situations (for example resource depletion aggravates unemployment, which reinforces migration subsequently contributing to a loss of human resources and endangering rural economies).

Quality public services and strong public sector leadership at all levels of government must be at the heart of the global response to climate change.

Risk management and risk reduction strategies

The next agreement should encourage Parties to:

- Promote a preventive approach to climate change in workplaces;
- Ensure best practices in process safety management are followed to prevent major industrial accidents in hazardous industries.

Rationale

Climate change and vulnerability to extreme weather events must be considered in all sectors and a pro-active adaptation strategy undertaken.

The increased risk of major industrial accidents due to climate effects in hazardous industries such as oil refining, chemical production, and nuclear power has not been adequately addressed. Many of these facilities could be threatened by extreme weather events or rising sea levels, for example.

Economic diversification to build resilience

The next agreement should encourage Parties to:

- Organise economic diversification policies within sectors, and propose new activities for workers in sectors at risk in other economic sectors;
- Undertake social dialogue, consultation and full participatory processes with all stakeholders at all levels, including the community level, in an institutionalised manner, in order to enhance knowledge of communities' needs and views on diversification opportunities.

Rationale

The world's poor cannot be left with the choice of either trying to make do with the limited resources at their disposal or else plunging into even greater misery. Social justice and respect for human rights demand stronger international commitment to adaptation.

Sustainable service and infrastructure development, capacity building and social protection will be key in addressing climate change challenges.

Technology development and transfer

Effective mechanisms and enhanced means for scaling up the development and transfer of technology

The next agreement should encourage mechanisms which:

- Are comprehensive to address all the stages of the technology development: research and development, demonstration, deployment, diffusion, capacity building and training the workforce;
- Increase technological and financial resources, especially public investment, to a sufficient magnitude. This could be set through a Green New Deal to promote clean technologies and preserve and create decent jobs;
- Promote global sectoral agreements for sectors such as transport, which could stimulate the adoption of best available technologies and their dynamic development.

Rationale

In a context of financial and economic crises where most economies are facing grave risks of deep recession and rising poverty, it is time to seize the opportunity for innovative international financing instruments and for making our societies low-carbon and climate-resilient. Converting our existing economies into sustainable societies will reduce energy dependence, protect natural resources and provide decent livelihoods to workers worldwide. Ambitious green investment and financial regulation can be a source of good quality employment creation, social cohesion and growth.

Trade unions support a “Global Green New Deal” based on the promotion of clean technologies, the creation of new green and decent jobs and a fair transition towards a low carbon and socially fair society.

Ways to accelerate deployment, diffusion and transfer of affordable environmentally sound technologies

The next agreement should encourage Parties to:

- Develop formal education and vocational training programmes for workers and entrepreneurs in recipient countries (developing or in transition) and avoid “bottleneck effects” due to the lack of trained workforce, as is currently happening in Europe in the renewable energy field;
- Promote public research as a key component of technology development;
- Create an international body to find and finance shared technological solutions available for all.

Rationale

Many technologies are already available as an alternative to a carbon intensive future but they need to be deployed on a wider scale. Their cost, their current low levels of deployment, restrictive application of patents and lack of political will are responsible for the poor diffusion of such technological innovations, and hence, of current increases in GHG emissions.

For technologies to achieve the quantum leaps necessary for this transition, an “international innovation agenda” accompanied by the creation of an international body to find and finance shared technological solutions needs to be discussed. In addition, the above-mentioned global sectoral agreements in sectors such as transport could stimulate the adoption of the best available technologies and their dynamic development.

Cooperation on research and development

The next agreement should encourage Parties to:

- Include funding for domestic research, development and innovation in technologies in developing countries, in particular those which will reduce energy consumption, improve energy efficiency and promote demand-side management, as it is also a means for building local capacities and use local knowledge and avoid dependency to foreign technologies;
- Develop a sustainable mix of energies, which will prioritise highly labour intensive and environmentally friendly renewable energies;
- Allocate further resources for research, rapid deployment and demonstration plants to determine whether CCS is cost-effective, energy-efficient and environmentally-innocuous, and thus, practical for broad application and mass deployment in coming decades.

Rationale

A substantive level of technology transfer has not been organised until now despite the mandate of the UNFCCC. Thus, trade unions call for serious discussions to be initiated on technology transfer that go beyond declarations of intent and that pay greater attention to the realities on the ground. Public research needs to be strengthened, as this is a key component of technology development. Training and education is also crucial for any long-term strategy involving new technologies. Substantial increases in global and national funding for public research and development and training are needed, as these have decreased in recent years. Attention should be paid to the need for preventing the exporting of polluting industries to the less developed world.

Trade unions raise once again the importance of developing a sustainable mix of energies, which will prioritise highly labour-intensive and environmentally friendly renewable energies.

Trade unions call for an intensification of efforts on energy saving, energy efficiency and demand management policies. These measures, in addition to their already proven effectiveness for reducing emissions, could create new jobs by substituting often imported energy by domestically produced energy-efficient technologies and services, and by re-spending the energy costs saved as additional available income in other ways. They also reduce the cost of energy for households.

As the International Energy Agency (IEA) assesses that most energy will still come from fossil fuels in 2050, it is necessary to carry out further research on transitional technologies, including technologies for using coal in a cleaner manner.

Financial resources and investment

Improved access to, disbursement of, and provision of new and additional resources

The next agreement should call on Parties to:

- Strengthen the role of public funding, as it is critical for mobilising the necessary resources for mitigation including REDD and adaptation;
- Establish mandatory targets - through taxes and transfers - so as to establish the incentives that can initiate adequate transition measures;
- Ensure strong regulation, transparency and government oversight of carbon market revenues. Carbon markets should be established in such a way as to ensure stable and reliable funding for mitigation and adaptation.

Rationale

Financing needs vary from one country to the next. Most developing countries have significant funding needs. Providing them with the sufficient funds will be critical in order to ensure a serious process and to mobilise the necessary support and commitment to succeed.

At the national level as well, demands on resources are not equally distributed; a fair and redistributive tax system must form one of the main sources of funding. Fiscal reorientation is necessary in order to ensure sustainable development and to provide the necessary levels of funding to compensate those who suffer the most and help to mobilise public support at the national level.

Future funding mechanisms must be:

- Comprehensive enough to respond to the different aspects of the transition and ensure it is just, addressing social needs in addition to environmental policies;
- Managed on the basis of the needs expressed by the recipient countries; be transparent and integrate civil

society participation;

- Correspond to a variety of different needs at all levels: national and international responses, financial flows to tackle climate change, global financial flows and trade policies. Funds devoted to adaptation should be coordinated by disaster, development and climate change experts with the participation of civil society and trade unions;
- Oriented towards productive investments that create decent jobs. Decent jobs form a fundamental part of poverty eradication strategies. For instance, the introduction of labour intensive infrastructure programmes on adaptation will create wealth and contribute to sustainable development.

Means to incentivise adaptation actions

The next agreement should encourage Parties to:

- Prioritise adaptation actions with a multiplying effect. Actions that reduce vulnerability and enable societies to adapt in the long term, such as strengthening social protection systems, insurance, health and education systems should be prioritised.

Rationale

Adaptation can provide positive opportunities for sectors at risk and might help to improve worker education and income. All adaptation measures should be analysed in terms of their impact on employment creation and on poverty reduction, so that the country prioritises those that have positive outcomes in both areas. Such an approach should be implemented in all countries since unemployment reduction is a top priority for fighting poverty.

Adaptation measures will vary by sector but all should include provisions for workers whose jobs are at risk.

Institutional arrangements for the provision of financial resources and investments

The next agreement should encourage governments to:

- Establish a World Climate Change Fund that encompasses funds from different sources and finance adaptation and mitigation actions and provide the necessary funds for a Just Transition;
- Establish a democratic, transparent and participatory financial mechanism which takes into account civil society.

Rationale

The means for achieving this transition should come from many sources:

- Domestic (including reforms in fiscal systems; and from banks, which should allocate an important part of their resources for credits for environmental and socially friendly-initiatives, among others), and
- International (including through international taxation of financial transactions, which is technically feasible and would be efficient in mobilising an important amount of funds; and other new forms of financing).

Trade unions call on governments to take a responsible and forward-looking approach, as these measures would enable achievement of fair development in poor countries and could provide the seedbed for clean and healthy economic growth in the future.

The financial mechanism should be democratic, transparent, integrate civil society participation, remain under the direction of the UNFCCC and have equitable and balanced participation of parties.

Appendix I

Useful references in support of the suggested text on Just Transition

Decent work has been recognised by countries and political leaders as an indispensable part of the vision for and the pathway to sustainable development and to poverty reduction. World leaders have emphasised the need for coherence between economic, social and environment policies, including those related to climate change.

This is reflected in agreed text of UN summits and ministerial conferences as well as of summits in different regions and of the G8. Some of the relevant references are:

The 'interdependent and mutually reinforcing pillars of sustainable development –economic development, social development and environmental protection'

(Johannesburg Declaration on Sustainable Development 2002, para 5)

'We also agree to provide assistance to increase income-generating employment opportunities, taking into account the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation.'

(Johannesburg Declaration on Sustainable Development 2002, para 28)

'We are convinced of the urgent need to create an environment at the national and international levels that is conducive to the attainment of full and productive employment and decent work for all as a foundation for sustainable development....'

(UN ECOSOC 5 July 2006 E/2006/L.8 para 1)

'We recognise that full and productive employment and decent work for all ..., are key elements of sustainable development for all countries and therefore a priority objective for international cooperation.'

(UN ECOSOC 5 July 2006 E/2006/L.8 para 2)

'We reaffirm that an employment strategy that aims to promote full, freely chosen and productive employment, as well as decent work for all, with full respect for fundamental principles and rights at work under conditions of equity, equality, security and dignity, should constitute a fundamental component of any development strategy. ...'

(UN ECOSOC 5 July 2006 E/2006/L.8 para 6)

'We reiterate our strong support for fair globalisation and the need to translate growth into reduction of poverty, and in this regard we resolve to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of relevant national and international policies as well as national development strategies, including poverty reduction strategies, as part of efforts to achieve the Millennium Development Goals'

(UN ECOSOC Ministerial Declaration 2007 para 10)

'We reaffirm that responses to climate change should be coordinated with social and economic development in an integrated manner with a view to avoiding adverse impacts on the latter, taking into full account the legitimate priority needs of developing countries for the achievement of sustained economic growth and the eradication of poverty;

(UN ECOSOC Ministerial Declaration 2007 para 21)