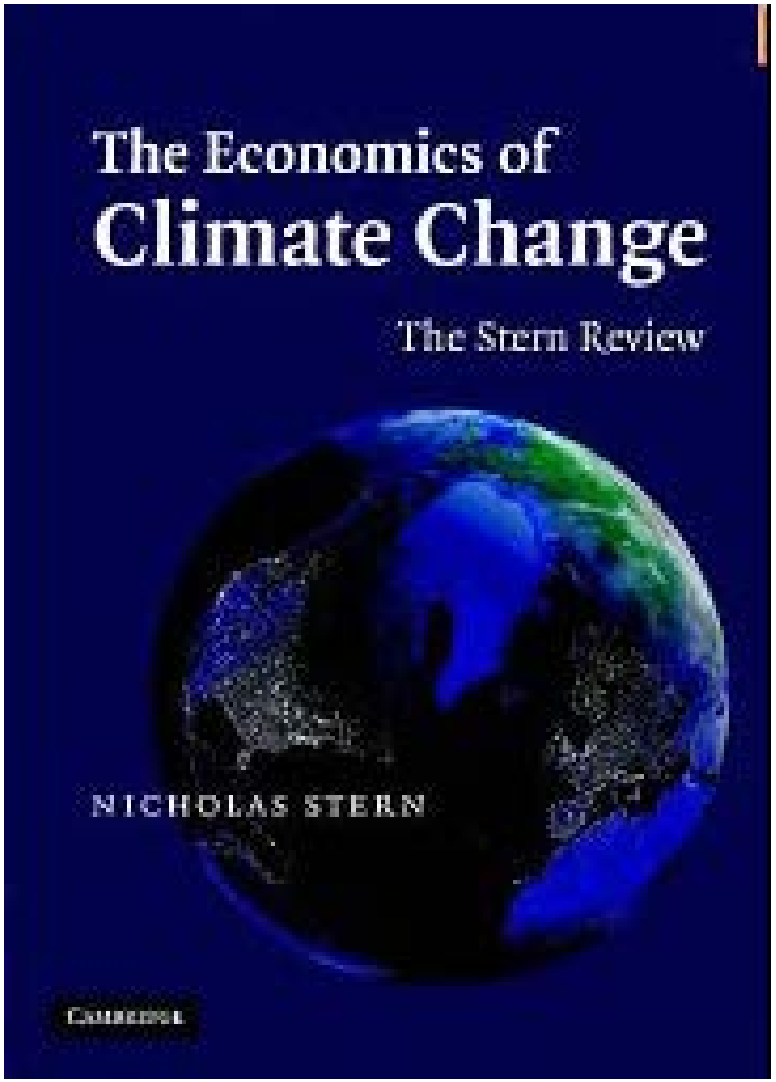
European trade unions and the transition to a low carbon society

Fred Steward
International Policy Group of the ACW Climate Change, Labour and Work project

Perspective

- Neoliberalism, ecological modernisation or Marxism?
- Broad spectrum of policies for a low carbon transition – from market based instruments to transformative industrial and social policy – ‘varieties of green capitalism’
- Trade unions – significant, if neglected societal players, values of collectivism and fairness

The new transition agenda



- Stern 2006
- Climate change...is the greatest and widest-ranging market failure ever seen
- Policy challenge is managing the **transition** to a low-carbon economy

National transition policies

The UK Low Carbon Transition Plan

National strategy for climate and energy

WBGU

German Advisory Council on Global Change

Flagship Report

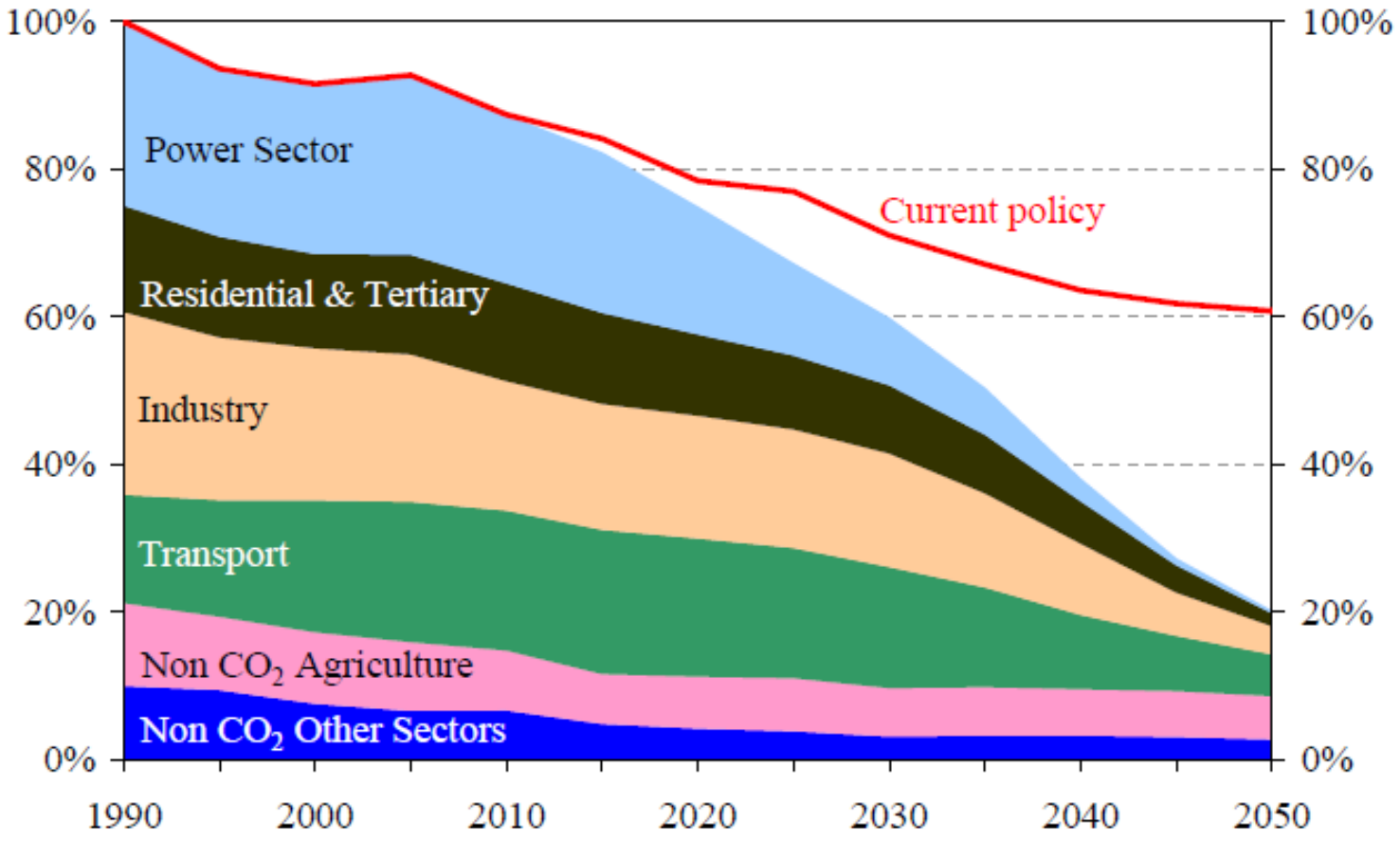
World in Transition
A Social Contract for Sustainability

Enabling the Transition to a Green Economy:

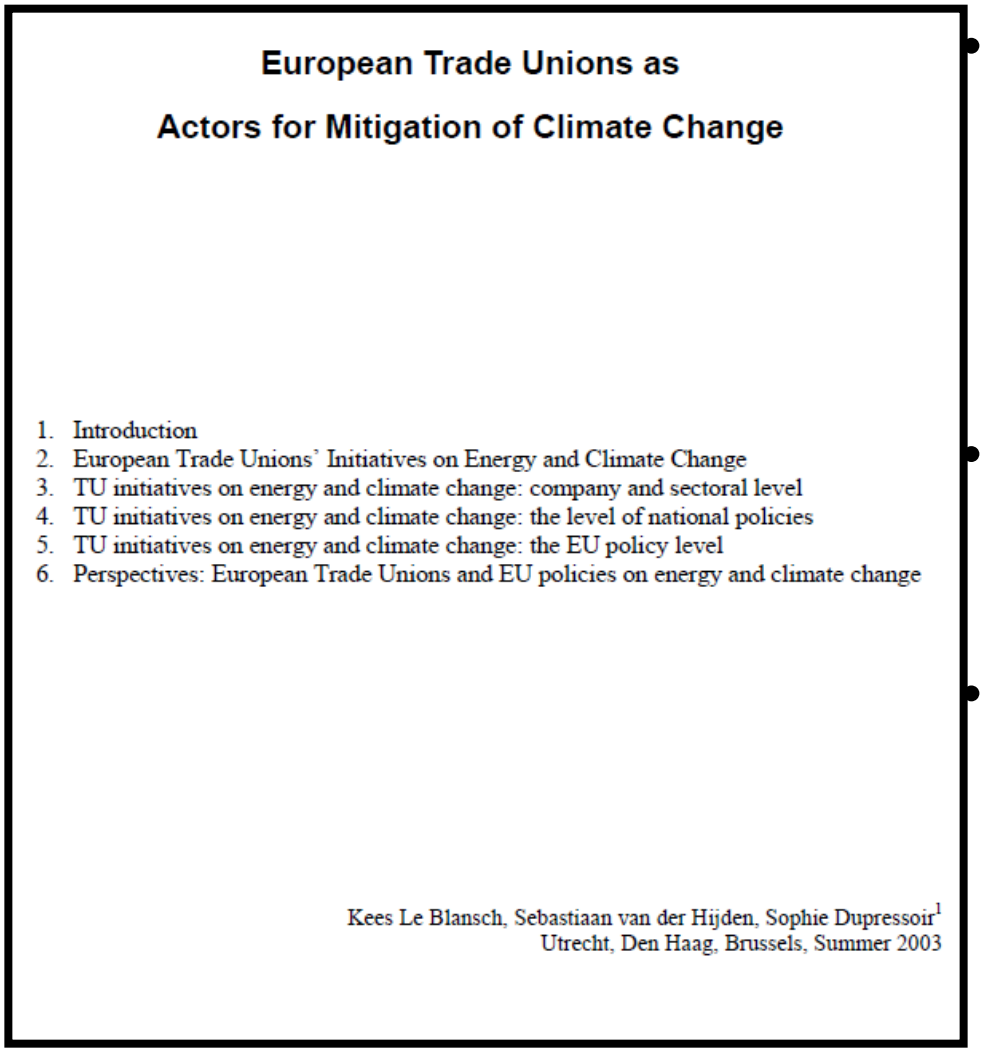
Energiewende

Europe's transition to a low carbon economy 2011

'our economy will require a fundamental transformation within a generation'. (COM(2011) 571



ETUC on climate change 2003



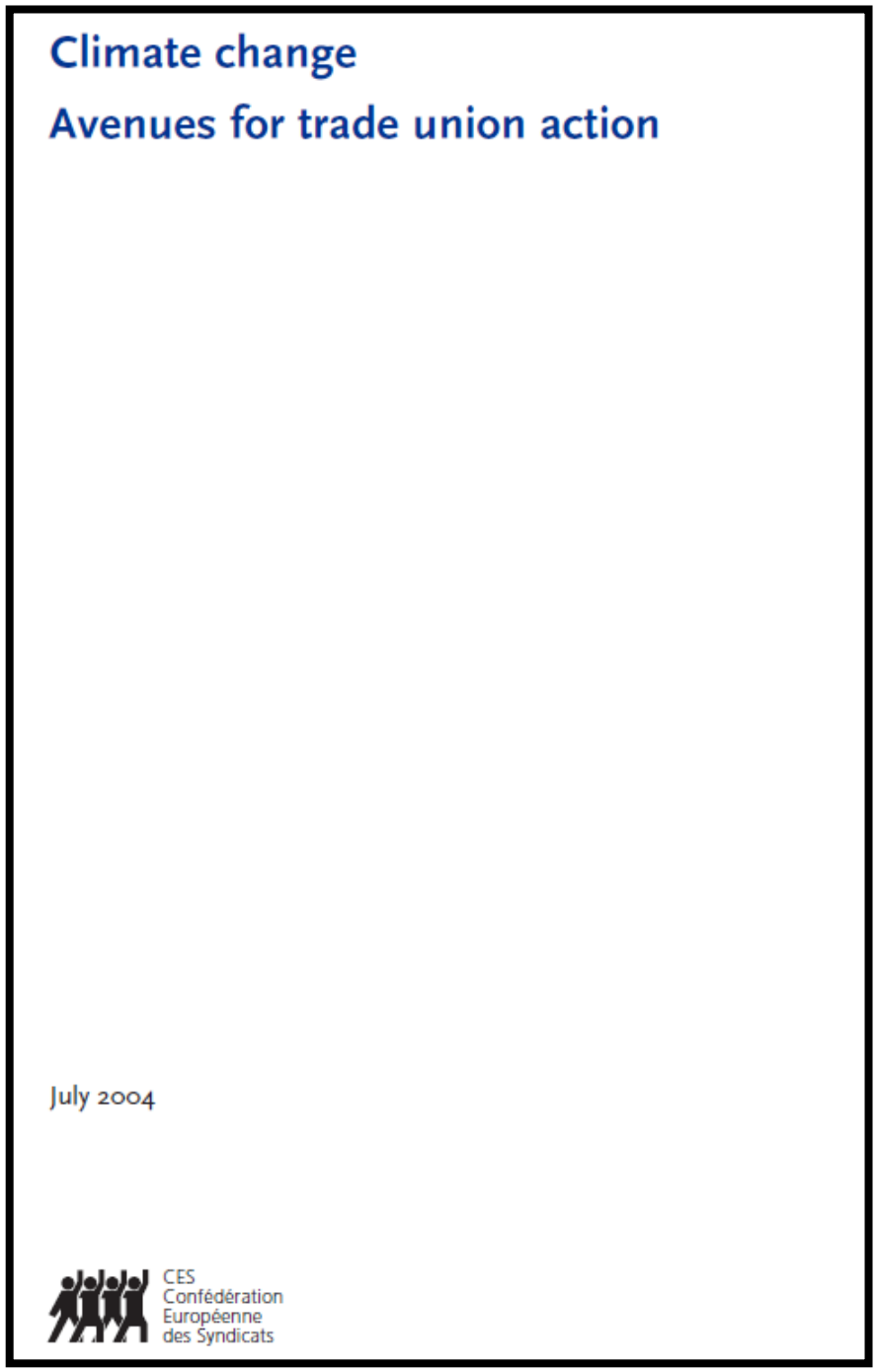
European Trade Unions as

Actors for Mitigation of Climate Change

1. Introduction
2. European Trade Unions' Initiatives on Energy and Climate Change
3. TU initiatives on energy and climate change: company and sectoral level
4. TU initiatives on energy and climate change: the level of national policies
5. TU initiatives on energy and climate change: the EU policy level
6. Perspectives: European Trade Unions and EU policies on energy and climate change

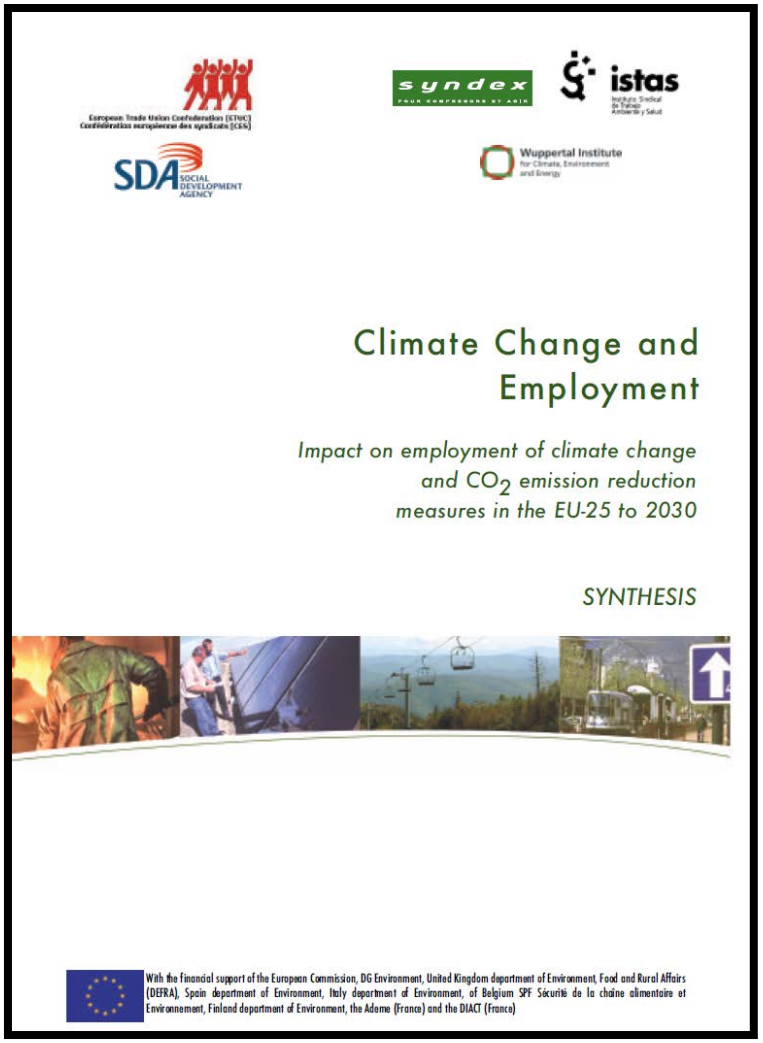
Kees Le Blansch, Sebastiaan van der Hijden, Sophie Dupressoir[1]
Utrecht, Den Haag, Brussels, Summer 2003

- ETUC - 85 National Trade Union Confederations, 36 European countries,10 European industry federations, 60 million individual trade unionists.
- A historically unique attempt to effect a societal transition including a major technological change
- Importance of trade unions taking anticipating stances and proactively negotiating changes in an equitable and socially acceptable way



- Transition will entail significant changes in jobs and qualifications, life styles and companies
- Calls for ‘equitable transitions programmes’
- Enhance European collaboration
- System in the broadest sense – end users, designers, architects
- Public investment – transport, housing, urban development
- Negotiate a social transition
- Energy intensive industries – innovation for jobs and competitiveness

Sectoral diversity



- Overall level of jobs reasonable constant
- Distribution will change radically
- Similar findings by other studies

Alternative job destruction/creation framings

- Variety of studies with contrasting emphases on job loss or gain
- Evidence is inconclusive
- Shaped by priority given to different pathways

2009 Just transition

working on change

a European approach to tackling climate change

Joël Decaillon, confederal secretary of the ETUC

Primarily defensive in nature – framework policies, protection for displaced workers

Oriented to global agreement - foundered at COP15 2009

‘Just transition’

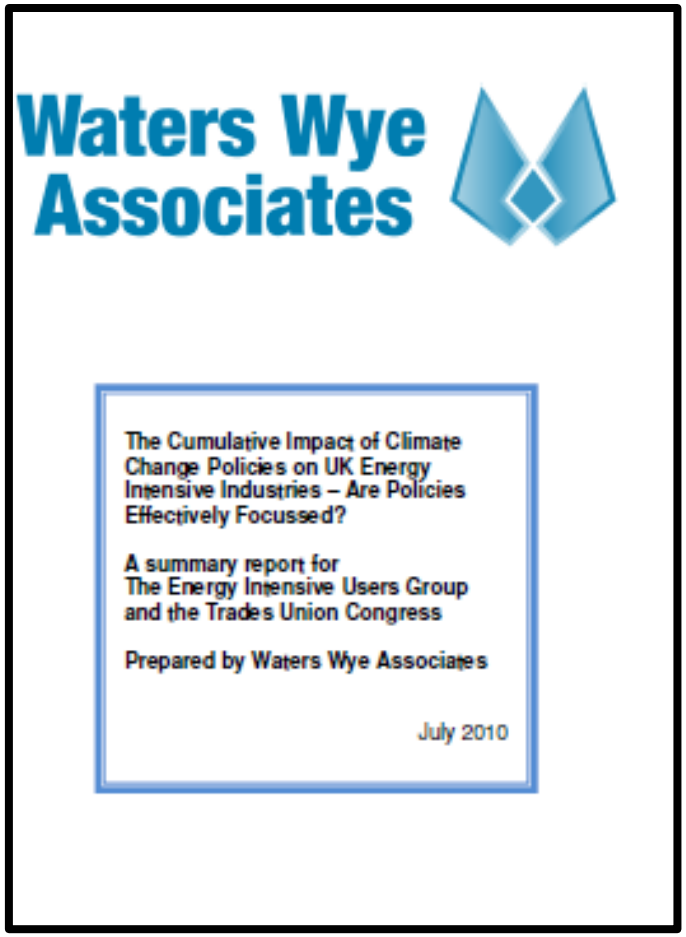
- problem oriented
- transition is ‘employment blind’
- decline in jobs in key ‘high carbon’ sectors
- outsider ‘victim’ perspective on transition
- risk of defensiveness

New post COP15 context

- Renewed focus on economy
- More emphasis of ‘co-benefits’ of climate change policy
- So-called ‘bottom-up approach
- Problem is the scale of ambition
- Opportunity is closer relationship with ‘real’ world of policy – EU, national, local

New directions ETUC 2010

Alternative to defensive strategies



- TUC in partnership with Energy intensive industry
- Arguments for reducing burdens on the sector

The reframing of industrial and innovation policy

- New concepts challenge the traditional dichotomy between 'vertical' interventionist and 'horizontal' market approaches.
- *industrial policy*
  - a *'pragmatic', 'selective', and 'partnership'* based approach
  - catalysed by a desire to promote a more balanced, resilient and globally competitive European economy in the aftermath of financial crisis.
- *innovation policy*
  - *'challenge led', 'systemic', 'transition'* oriented perspective
  - triggered by the rise in political salience of intractable societal problems of global sustainability (including climate change) and social inclusion often called 'grand challenges'.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EMERGING ISSUES AND NEW TRENDS
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OECD


WWW FOR EUROPE
WELFARE WEALTH WORK
Industrial Policy for a sustainable growth path
Policy Paper no 13
Author: Karl Aiginger (WIFO)
June 2014
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INDUSTRIAL POLICY AND THE EUROPEAN UNION
Dani Rodrik
Institute for Advanced Study
December 2014


DIRECTORATE-GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT A
ECONOMIC AND SCIENTIFIC POLICY
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EU Industrial Policy: Assessment of Recent Developments and Recommendations for Future Policies
Study for the ITRE Committee
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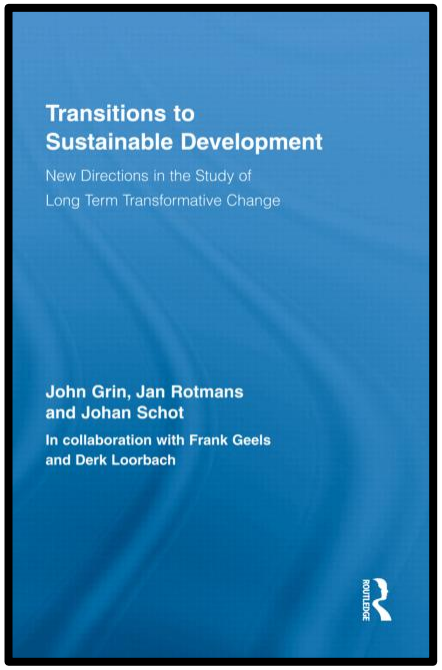
2015


Transitions to Sustainable Development
New Directions in the Study of Long Term Transformative Change
John Grin, Jan Rotmans and Johan Schot
In collaboration with Frank Geels and Derk Loorbach
ROUTLEDGE


SYSTEM INNOVATION: SYNTHESIS REPORT
OECD

Key areas of convergence

- **BROAD SCOPE**

  'Industry' includes services, e-commerce and a range of knowledge based economic activities as well as the traditional focus on manufacturing. 'Innovation' extends to novelty in services, organisations and business models as well as in technology.

- **NETWORK CAPABILITIES**

  Meso-level networks of businesses and other organisations are seen as a new locus for innovation and transformation, and therefore of policy. This is an alternative to the micro level of specific projects, firms or sectors or the macro level of general knowledge exchange contexts or market conditions.

Key areas of convergence

- **SYSTEM TRANSFORMATION**
  shift towards systems transformation instead of incremental change in the performance of singular firms or 'point' innovations of products. End use perspective (nutrition, thermal comfort, mobility) relocates policy interventions away from traditional industrial sectors towards changing the way complex multi-sector value chains deliver services to consumers.
- **PURPOSIVE DIRECTIONALITY**
  A return to selective, targeted intervention in the pursuit of societal goals but using new challenge led (climate change, reducing inequalities…) or adaptive portfolio approaches rather than 'picking winners'.

Critical choices of policy pathways

- **→HORIZONTAL INTERVENTIONS VS A PRAGMATIC "BASKET" OF SELECTIVE INTERVENTIONS**
  resistance to directional policies in principle restricts policy to purely horizontal interventions aimed at creating a 'level playing field' by setting favourable framework market conditions for all firms and stimulating the creation of knowledge..
- **→DEFENSIVE SELECTIVITY VS STRATEGIC SELECTIVITY**
  a more interventionist, targeted approach may be expressed in a 'defensive' conventional narrow promotion of manufacturing protection, revival and reshoring. In contrast a 'strategic' approach adopts a broader notion of industry with a focus on innovation with the purpose of solving societal challenges and generating future prosperity

Innovation oriented industrial policy

- The *technoeconomic* path prioritises broad technological goals of a 'generic' nature often called key enabling technologies, lead technologies, or general purpose technologies.
- The *sociotechnical* path seeks to identify overall societal challenges without specifying a particular technological solution and to transform end use activities such as mobility, communication and comfort to achieve societal goals such as reducing greenhouse gas emissions or increasing social inclusion.

Windows of EU policy opportunity

- →*The broad EU industrial policy context*
  newly established vice-presidency for 'Jobs Growth Investment and Competitiveness.
  Europe 2020 strategy includes a number of flagship initiatives for a broader design for post-crisis growth and modernisation in Europe.
- →*Influential European policy shapers*
  OECD - system innovation, cities and green growth, aligning policies for a low carbon transition.
  The High Level group on innovation proposes an ecosystem policy approach
  European parliament advocates a renewal of a strategic and selective innovation oriented industrial policy.

Windows of EU policy opportunity

- → *Specific EU policy strands and domains*
  'Smart Sustainable specialisation' in regional policy; H2020 'societal challenges and industrial competitiveness' in innovation policy; 'systemic challenges from vision to transition' in environmental policy. Energy Union, Circular Economy and Eco-Innovation Action Plan.
- → *Appropriate systemic policy instruments*
  partnerships (Specialised partnerships, European Innovation Partnerships, Knowledge and Innovation Communities),
  - place based innovation (clusters, challenge led demonstrators),
  - procurement, foresight
  European Structural Funds

Prospects

- convergence of opportunities between policy domains, usable experience of some existing policy instruments and a broader favourable European window of opportunity with influential policy advocates.
- potential opportunities will need a clear framework of the policy principles that address the key challenges of broad scope, network capabilities, system transformation, and purposive directionality.
-

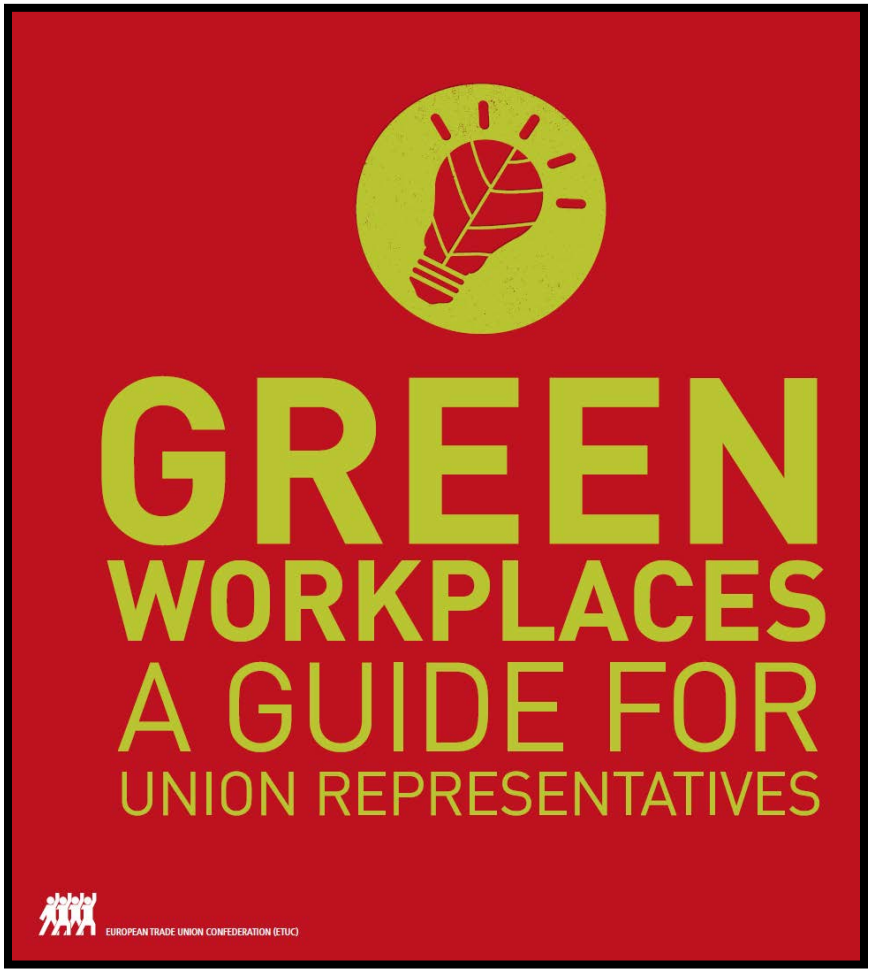
EUROPEAN COMMISSION

Strasbourg, 18.4.2012
COM(2012) 173 final

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

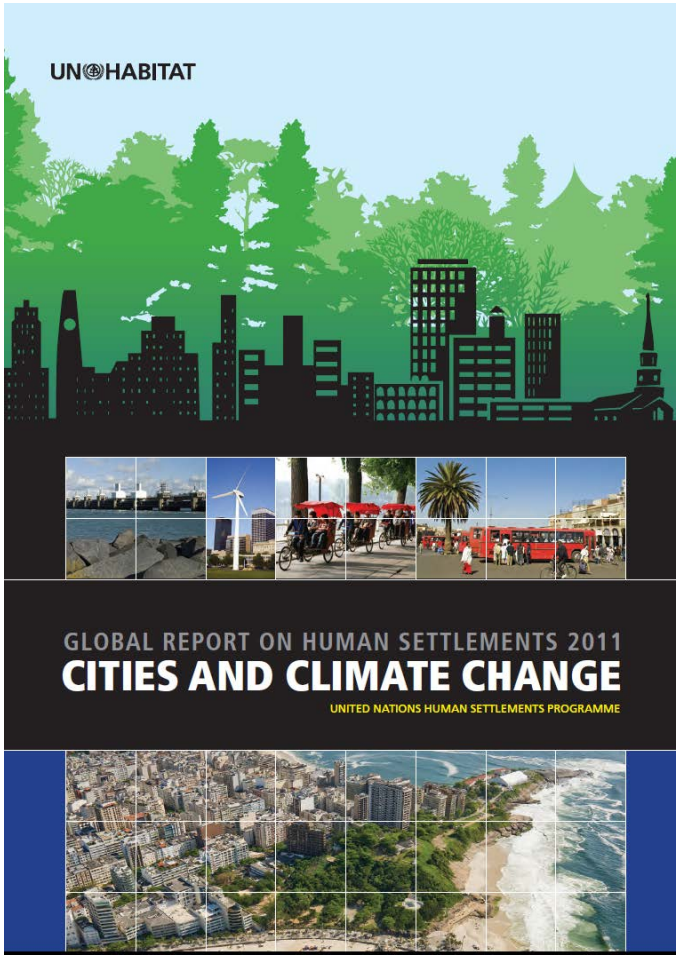
Towards a job-rich recovery

ETUC 2012



- Bottom up approach
- A community of practice on behaviour change
- Prospects for new a partnerships at local level

Multilevel governance challenge led sociotechnical transition



- systemic mitigation initiatives

- built environment
- transportation
- urban infrastructure (energy, waste, water)
- urban form/spatial planning

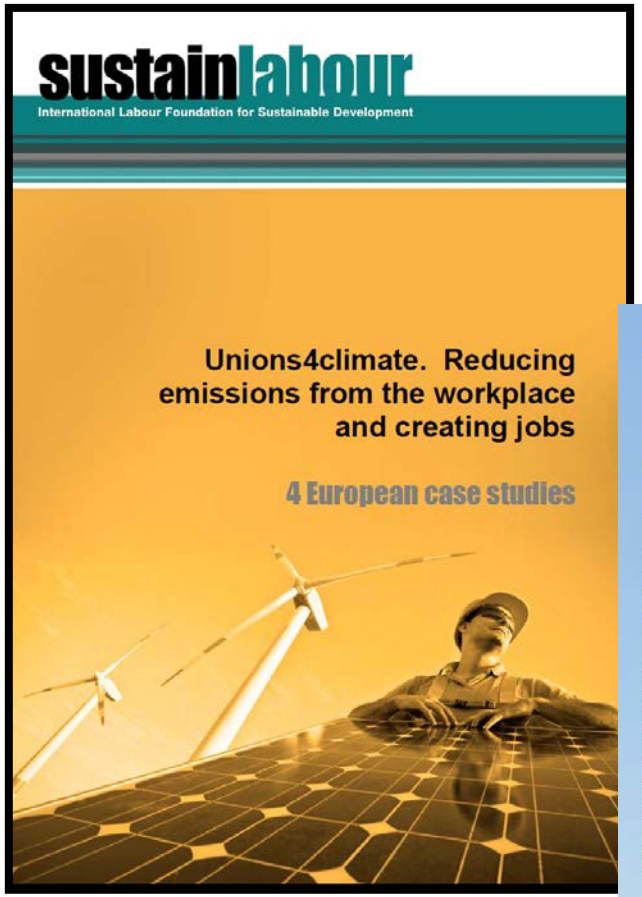
New system actors

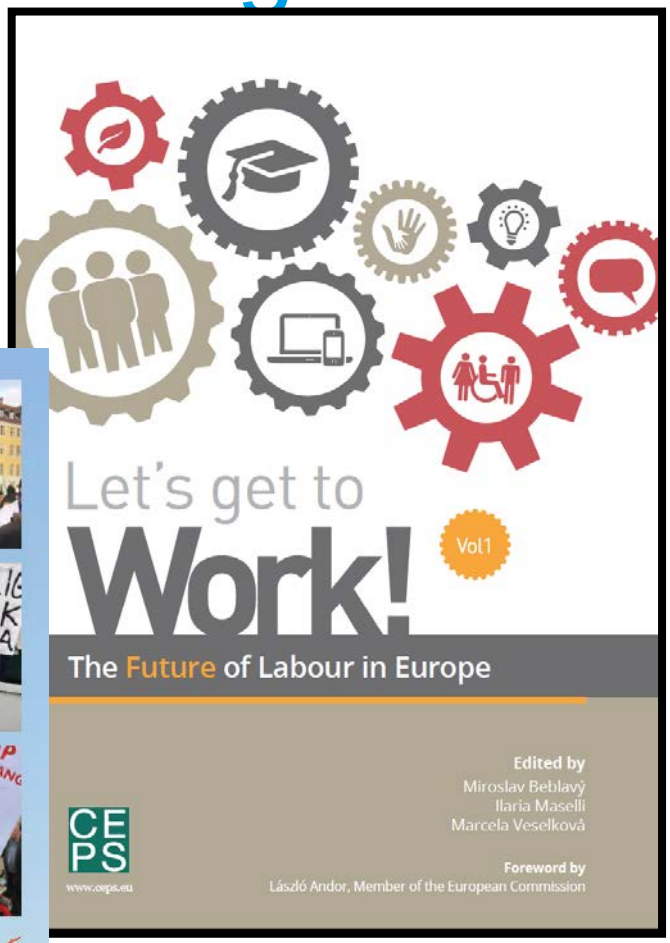
- leaders will be the institutions and organisations who deal with the key systems of mobility and household living.
- different to traditional product focused innovators
- regional players are well placed for this
- key responsibilities for transport, housing, waste and energy systems
- enable the participation of the diversity of actors involved in system innovation

New practice based knowledge

- more integrated and practice based than conventional academic science
- learning by doing - innovative approaches to mobility and household living in practice
- experimentation is often more feasible at regional - scale is manageable yet significant resources can be leveraged.
- challenge is to move from the specific to the general.

Renewed interest in co-benefit related transition startegies





Future perspectives

- engagement with the new framework of sociotechnical transitions in contrast to the established frameworks of ecological modernisation or market based instruments. This embraces purposive transformative goals, a mix of social and technological innovation, and a key role for a diverse coalition of societal actors
- recognition of the possibility of alternative transition pathways and that choices between them may have different implications for job creation, employment and working conditions, and skill development arising from contrasting emphases on technological production and social use, singular new products/processes versus wider system innovation, one-off skills or long term vocational change
- action at multiple levels of governance, not just at the national or sectoral level. Of particular interest is the role of new developments in policy and practice involving partnership with cities, local authorities and regions