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Submission by the International Trade Union Confederation (ITUC)

Subject: Ad-Hoc Working Group on Long-term Cooperative Action under the Convention (AWGLCA)

A. Introduction

Decision 1/CP.13 invited Parties to provide their views regarding the work programme of the Ad-Hoc Working Group on Long-term Cooperative Action under the Convention (AWGLCA). Trade unions consider that submissions from civil society organisations should also be taken into account, as the Bali Action Plan makes clear the need "to strengthen the catalytic role of the Convention in encouraging multilateral bodies, the public and private sectors and civil society (…) as a means to support mitigation and adaptation"[1].

Trade unions believe the Secretariat and the Parties should play a pro-active role in involving civil society representatives (i.e. workers' representatives, farmer organisations, local authorities, employers, gender-based organisations and other non governmental organisations) in this important debate.

B. General remarks

Trade unions welcome the Bali Action Plan and commit their support for the process initiated in Bali as well as for the ambitious climate change policies that need to be undertaken on mitigation, adaptation, technology development and transfer and financial resources and investments.

In addition, trade unions consider the work programme needs to be strengthened by mainstreaming social and economic policies.

Climate change policies imply serious transformations in our production and consumption patterns. And while this is often mentioned, there is little indication in the current action plan on measures that are going to be taken to accompany in a socially-friendly manner the transition towards a low-carbon economy.

Blockages regarding the inclusion of the social dimension need to be discussed. The labour movement believes social policies should not be seen as a barrier for reducing emissions, but as a means for enhancing its effectiveness as it builds social support and consensus around climate protection.

This submission will focus in providing the rationale for discussing social aspects of climate change from a progressive and positive standpoint. Trade unions will provide the AWG work programme with in-depth views on each of the Bali Action Plan building blocks as soon as the work programme has been decided.

C. Development of a Work Programme

1. Long term goal for emission reductions

Mitigation measures cannot only be based on econometric models or technical assumptions. Emission reductions are going to take place in the 'real' economy. Therefore, actors of the 'real' economy need to be consulted, listened to and informed through institutionalized dialogue at the international, regional and national level.

Ambitious mitigation measures, agreed in the Bali Action Plan, require huge social and economic transformations. It is urgent then to initiate a discussion on social and economic accompanying measures able to ensure a fair transition towards a low carbon economy.

It is necessary to understand the impacts of the future mitigation commitments in each economic sector. Changes need to be analyzed and anticipated from the beginning of the emission reduction process, in order to avoid adverse effects on the economy and on communities of both developed and developing countries.

Green jobs: Trade unions call on Parties to convert emission reduction efforts into opportunities for sustainable development, through both the exploration and exploitation of synergies between

[1] UNFCCC, Decision 1/CP.13

climate protection and decent work, so as to also strengthen public health and social inclusion. Political will and financial resources can ensure that green and decent jobs are created as part of any emission reduction strategy.

A forthcoming report by the World Watch Institute, produced for UNEP as part of its cooperation with the ILO and ITUC, paves the way for a better understanding of climate-employment implications and job creation in a low carbon economy. It will show how climate transition strategies can deliver vast employment opportunities, which themselves can be made to strengthen climate change implementation.

Social & economic consequences of emission reduction policies: It is logical to assume that ambitious climate change mitigation policies alter the way we produce goods, deliver services and behave as consumers yet little information or data are readily available so as to yield significant economic and social payoffs. Vigorous efforts are needed to build a better understanding of:

- social and economic consequences of climate change policies for national, sectoral, regional and local economies for Annex I countries (domestic level); and
- social and economic consequences of Annex I country emission reduction policies on non-Annex I countries (international level).

Social and economic consequences of climate change policies, including employment (domestic level). Trade unions call on Parties to address potential social problems in sectors targeted by current legislation for emission reduction. While such legislation is vital, it is now urgent to properly assess and address economic and social impacts, especially employment related ones in power generation, energy intensive, and fossil-based industries, aviation and road transport. Such analyses should serve to clearly identify how to anticipate and mitigate employment disruption through just employment transition policies that encompass social dialogue, retraining, gender awareness, economic diversification and support for displaced workers and reinforce social protection systems. The role of government and public services should not be undermined in any way but be further strengthened.

Social and economic consequences of climate change policies, including employment (international level). Trade unions highlight the importance of widening the discussion and analysing social and economic consequences of emission reduction within different areas of the economy. The potential effects of CO_2 border adjustment mechanisms in Annex I countries on international trade and developing country economies, the consequences of the internalisation of the real cost of transporting goods and the effects of a relocation of polluting industries in developing countries all need to be properly understood beforehand.

Which policies? Which measures?

From the labour side, it is clear that social security systems, adult education and training or economic diversification policies need to accompany the mitigation package. This should include also institutionalised spaces for social dialogue and consultation with stakeholders, including trade unions. Furthermore, other measures regarding effects of mitigation measures on poverty (for example, from the reduction in subsidies for electricity), on women and vulnerable groups, on competitiveness, among others, are needed. In this framework, expertise from the trade unions and enterprises needs to be integrated into decision making.

Long term goal for emission reductions. The ITUC General Council in June 2007 called for urgent need to tackle climate change as a priority for new trade union internationalism. Trade Unions believe that the new agreement should limit the global average temperature increase to no more than 2°C, establishing a safe and sustainable pathway for global emissions reductions.

Consistent with this fundamental objective, trade unions urge Governments to follow the IPCC scenario for keeping the global temperature increase to within 2°C and reducing greenhouse gas emissions by 85% by 2050.

Following the principle of ‘common but differentiated responsibilities’, all countries need to play a part in the next agreement, based on each country’s stage of economic and social development. Developed countries should agree to further significant cuts in CO_2 emissions in the near term: the outcome of the European Union’s commitment for a 30% cut (1990 basis) in CO_2 by 2020, (subject to a new international treaty) can be a valuable benchmark for developed countries in making commitments, as a global emissions trading scheme will form the cornerstone of this strategy. The most advanced developing countries can progressively adopt GHG prevention, reduction, stabilisation or controlled increases, e.g. through targets on renewable energy use, carbon capture, addressing deforestation, and developing public transport systems.

Trade unions support a sectoral approach to emission reductions, as their unfolding varies from one sector to another, along with the effects of abatement costs and implementation of appropriate policy instruments. When setting emission reduction targets the contribution should be evaluated according to each sector's potential, benchmarking against best available techniques (BAT).

2. Adaptation

Social & employment dimension of adaptation policies

Adaptation to climate change offers the opportunity to commit to new paths for economic development; a development that puts people at the centre, and respectful of workers' rights and the environment. For this to happen, it is necessary to mainstream social and employment aspects of adaptation in the Bali Action Plan work programme. Regional, sectoral and local research is needed to better understand the effects that adaptation measures might have on the economy, poverty reduction, gender equity and employment.

While climate change will negatively affect agriculture, forestry, ecosystems, health and human settlements, in particular in the Southern hemisphere, accompanying adaptation measures could be made to yield positive effects on employment, or at least reduce the severity of the negative ones.

Effective adaptation strategies could also provide positive opportunities for sectors at risk and help to improve worker education and income. One example of this is Lesotho's National Adaptation Action Plan in which all adaptation measures are analysed according to their impact on employment creation and on poverty reduction, such that the country only chooses those with positive outcomes in these two areas. This is to be commended for all countries since unemployment reduction is a top priority for fighting poverty.

Adaptation measures vary by sector, but all of them should include provisions for workers whose jobs are at risk from changes in production needed to prepare our society and economy for the impacts of climate change. For more information on the linkages between adaptation and employment: http://www.global-unions.org/pdf/ohsewpP_12Bc.EN.pdf

Economic diversification

Trade unions agree on the importance given in the Bali Action Plan to economic diversification policies, which aim at increasing the economic resilience of, and reducing reliance on, climate-sensitive sectors such as agriculture, fisheries and tourism.

Economic diversification policies could be organized within sectors (for example, by changing the agricultural output, by developing different tourist activities) or by the promotion of new activities from other economic sectors (by shifting from agriculture to the climate-insensitive industry and service sectors). Decisions on this issue need to be taken with regards to the expected impacts of climate change in concerned zones, with a consultation of local stakeholders (workers, farmers, community leaders, among others), in order to understand as much as possible the impacts of this transition, and to integrate local knowledge about possible diversification opportunities.

Direct economic viability of proposed production outputs needs to be completed by the analysis of impacts on employment (shifts in production could generate drastic increases and decreases in workforce needs), on local cultures and traditions, among others.

Role of public sector in achieving adaptation

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. As the Stern Review reminded us, climate change represents the biggest market failure in history. We cannot rely on those same failed market mechanisms to get us out of this crisis. Investments in water, health, transportation, housing and other essential infrastructure called for in this statement should reverse the destructive trend of privatisation and deregulation, and should be democratically accountable. Similarly, we must significantly strengthen public investments in research and development on new clean and renewable energy technologies, climate science research, and disaster response. Public-public partnerships for technology transfer in the utilities sector, for example, should be encouraged and financially supported. Public procurement contracts should include specifications for labour and environmental sustainability standards.

Which policies? What measures?

Trade unions consider climate change adaptation measures must be developed taking into account many social aspects (impacts on poverty, on gender, on health, among others). In addition, trade unions believe adaptation plans must be developed with employment as one key element for choosing adaptation policies, due to their multiplying effect on the economy. Adaptation plans should be developed to identify socio-economical impacts of climate change on specific sectors as well as measures to deal with unemployment and impoverishment of affected regions and sectors.

3. Technology development and transfer

Social & employment dimension of technology development and transfer

Trade unions call on Parties to develop, in parallel with technology development and transfer policies, education and training policies to secure the human resources needed in recipient countries.

It is necessary to develop training programmes for workers and entrepreneurs in recipient countries (developing or in transition) to avoid a bottleneck effect due to the lack of trained workforce. This is currently happening in Europe in the renewable energy field.

Public research (also in developing countries):

Funding for research comes in its most part from public funding. This highlights the need for reinforcing public research systems in order to enable it to face current needs and challenges.

Trade unions call on Parties to include funding for domestic research, development and innovation in developing countries, as it is also a means for building local capacities and use local knowledge. When deploying technology transfers, attention should be given not to undermine local research and development programmes.

4. Financial resources and investment

Mitigation costs might seem huge, even if experts consider they are small in comparison to the eventual costs of inaction. In addition, as most of the efforts should be undertaken in developed countries, in which mechanisms exist to promote research, innovation and investment, governments should be able to re-direct financial flows towards these investments. Attention should be given to the need for promoting long-term and non-speculative investment flows as investments in, for example, low-carbon technologies need a long-term horizon for investment recovery.

Trade unions consider that a fair and redistributive tax system is a principle source of funding for quality public services - essential for contributing to fair and efficient climate policies (efficient climate policies will require a highly qualified work force, researchers, and engineers; public transport helps reducing GHG and increases access to mobility for the poor).

Water, health and infrastructure have been identified as the most vulnerable sectors and those where investments need to be made urgently. In developing countries, these sectors have been suffering from both public and private under-investment. Pro-active policies need to be undertaken to direct long-term investment flows to these sectors. Democratic governance, respect for human rights (including trade union rights), the reinforcement of domestic fiscal systems, clear support from IFI’s for public expenditure, all appear to be potential paths for achieving sustainable investment flows in these sectors.

Trade unions support calling for institutional investors – including workers’ pension funds, insurance companies and sovereign wealth funds – to integrate carbon liabilities into their entire portfolio investment policy. The trade union movement is at the forefront of the debate on promoting long term responsible investment by workers’ pension funds, as seen in the active support of trade unions to member-nominated pension trustees, including by providing education and training support on sustainability issues. The Global Unions Committee on Workers Capital, in developing standards and guidance on long term and responsible investment, has insisted on ensuring a comprehensive approach that binds environmental concerns at large, with social and governance issues. The three dimensions of institutional investor responsibility – environment, social and governance, ESG – should be acknowledged.

D. Concrete proposals for follow-up.

To include social/employment elements in the development of the AWG work programme

- An AWG programme needs to include a clear analysis of the means for mainstreaming social and economic impacts of mitigation and adaptation measures in the next agreement (this includes employment, gender, poverty, health).
- A workshop with relevant experts (UN bodies such as ILO, WHO, FAO, as well as Agenda 21 stakeholders) should be held in order to guide parties on pertinent measures to address social impacts of these measures and identify policies which need to accompany the next protocol. Further action under the Convention should and will modify the way societies develop and live. The new Convention must set out measures that will embed the catalytic role of civil society organisations, including trade unions, in mitigation and adaptation strategies. Society cannot be left behind, as it could be of great support in building the necessary consensus for effectively implementing climate measures.

Trade unions believe the Secretariat and the Parties should play a pro-active role in involving civil society representatives (i.e. workers' representatives, farmer organisations, local authorities, employers, gender-based organisations and other non governmental organisations) in this important debate. Trade unions stand ready to provide more information on specific issues mentioned in this document.