

Concept and practices of Just Transition

JUST TRANSITION with CLIMATE AMBITION



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Climate emergency is widely recognised by now

So, the clock is ticking...and this is more and more recognised

A fundamental revision of our energy and resource depleting growth model is necessary reach net-zero carbon economy by 2050

Just transition is the (only) way to make it..

With massive effect on jobs in the entire economy:

Jobs to be created, but also lost, but all jobs affected

The inevitably needed higher climate ambition will have much higher social and employment effects than previously seen or thought

JT is about **`just burden sharing`**, with different dimensions:

- Addressing climate and environmental justice (global North <> global South, historical + inter-generational)
- Dealing with distributional effects of climate policies (FiT, carbon price, ETS design during the transition),
- **+ managing job transitions (More than a `fancy funeral`)**
- **regional restructuring (industrial policy, regional development)**
- **decent work and inclusive society in a zero-carbon world**
- **`just transition`** became a **mainstream** narrative, danger of hollow-out/overstretching

Dimensions of inequality in the climate change context

- **Outcome:** decent jobs (ILO) in a zero-carbon inclusive society: traditional jobs - good organised jobs; new green jobs often precarious;
- **Process:** getting there, how job transitions are managed (nobody left behind, just burden sharing, managing social impacts), revitalise local economy – social dialogue at all levels

There is no genuine trade-off between green-labour and social dimensions – still, during the transition these may appear

JT is not an abstract concept, but a real practice in real workplaces. Objective is common, but concrete transitions take place in real work environments determined by the capital-labour relationship

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The concept of `Just transition`: an early trade union demand, now mainstream

Many questions arise, inequality has a lot of cross-cutting dimensions, (e.g. housing, mobility, energy)

- The concept of JT **is multi-faceted**, has different dimensions and contexts, also theoretical backgrounds – **cross-cutting each other**
- **Must be implemented in form of concrete strategies and actions that are matched to concrete economic, social and institutional context that differs by country, region and economic branch**
- There is no silver bullet of just transition, but some common principles established (the 2015 ILO Guidelines make a useful contribution)

Varieties of JT: illustration from two sectors

- Differences by economic branch are also substantial:
 - A JT strategy for the energy sector (e.g phasing out coal) needs different approaches than e.g. in the automobile sector
 - Decarbonisation (in sectors) has different interlinkages to other megatrends (as e.g. digitalization /auto/, demography /mining/)

Coal: less than a tenth of a percent of EU jobs but concentrated in a few countries and regions. Targeted and comprehensive labour market policy measures; regional policies are key

Company good practice: ENEL Italy, comprehensive framework agreement for phase-out of 23 coal fired power plants by 2029

Automobile: 3.4 million direct manufacturing jobs, total 13.8 M in EU > total overhaul of the industry and its value chains

Plant level agreements: Daimler, VW, Schaeffler – job protection, investments, innovation, skills development

focus not just on core workers (members), but on all –

Status quo is no solution, change is inevitable:

managing change in an advance looking way

Time horizon is crucial: short term vs long term interest
(jobs of here and now vs future jobs)

Transition time is also important in order to get prepared

New innovative organisation strategies

Coalition building: trade unions and environmental justice
groups (blue-green alliances) – more developed in North
America, in the EU not yet an established practice