



TRADE UNION ADVISORY COMMITTEE
TO THE ORGANISATION FOR ECONOMIC
COOPERATION AND DEVELOPMENT
COMMISSION SYNDICALE CONSULTATIVE
AUPRÈS DE L'ORGANISATION DE COOPÉRATION
ET DE DÉVELOPPEMENT ÉCONOMIQUES

TRADE UNION STATEMENT TO THE MEETING OF THE OECD ENVIRONMENT POLICY COMMITTEE (EPOC) AT MINISTERIAL LEVEL

PARIS, FRANCE, 28-29 SEPTEMBER 2016

Introduction & key proposals

1 OECD Environment Ministers are meeting at a critical time for environmental policies. With the Paris climate Agreement on track for ratification and the indicators for measuring progress under the Sustainable Development Goals/Agenda 2030 being finalised, comprehensive international guidance for achieving sustainability is in place. Now is time to move towards implementing those plans and to ensure national action is consistent with these international goals.

The international trade union movement is therefore calling on OECD Environment Ministers to:

- Ensure national climate commitments are in line with their countries' capacities and responsibilities and the need to respect the objective of not surpassing 2°C in average temperature increase, and aiming at 1.5°C;
- Engage with labour, economic and investment ministers so that job creation strategies are integrated in climate plans;
- Actively promote the implementation of the ILO Guidelines for a Just Transition¹ in national contexts, in continuous dialogue with social partners;
- Ensure that employment policies include qualitative as well as quantitative objectives (occupational safety and health, minimum living wages, collective bargaining, working time, security) when promoting the transition to a circular economy;
- Make use of all regulatory avenues for making progress towards a circular economy, including for product design, producers' and distributors' responsibilities, product disposal and recyclability.

1. http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf

Climate Change: key challenges moving forward

2 Trade unions share the analysis put forward by the OECD for the Ministerial Meeting: emission reductions and more broadly the pathway to zero emissions, required to reach the agreed goal of maintaining emissions below 2°C and aiming at 1.5°C, are not yet in place. Whilst trade unions agree in principle with the need for reducing the emission of short-lived greenhouse gasses, this does not replace the urgent need for long term, ambitious transformation of economies so that zero emissions are attained by mid-century. This requires tackling the challenges of the fossil fuel based economy, deforestation and the sustainable management of forests.

Industrial transformation is an imperative

3 The industries of today are the foundations for the industries of tomorrow and the next 15 years will be a critical period. The opportunities for job creation are significant, but so are the challenges. In order to have a reasonable chance to stay within the 2°C limit, and even more the internationally agreed 1.5°C objective, our balance of greenhouse gas emissions should reach zero between 2055 and 2070. Entire sectors must transform their carbon footprint if these goals are to be reached. For jobs to be secure they must become climate-compatible.

Jobs in energy, transport, construction, industry, agriculture and services: all sectors hold opportunities

4 The requirement for investment in infrastructure is predicted to be up to US\$90 trillion by 2030. With infrastructure requirements in transport, energy, water systems and the built environment this could be up to US\$6 trillion per year on average over the next 15 years. If properly managed this can lead to significant job creation as trade union modelling for the L20 has shown.² With the right framework in place, we could ensure those are decent jobs, that they contribute to building a fairer economic system and give us a chance to stay within planetary boundaries.

5 Furthermore a 2010 study by the Millennium Institute for the ITUC showed that in just 12 countries if they invested 2% of GDP each year for five years in major sectors, this could generate around 48 million jobs.³

6 The ILO literature review⁴ has found that most studies show a positive net employment effect of policies facilitating climate transition. Net gains are up to 60 million jobs, combining economic growth with environmental improvement.

No one must be left behind: we demand a Just Transition

7 Despite the opportunities for jobs there will be significant challenges for some workers and their communities. Trade unions are determined to ensure that no one be left behind and that the energy revolution be supported by Just Transition measures.

8 The international trade union movement has played an active role in UN negotiations and fought to achieve the Paris commitments. However carbon dependent communities and workers must not be forced to bear the costs of change. Workers must have a seat at the table as we act to stabilise the world's climate by moving toward a zero carbon future.

9 Trade unions must be engaged in the dialogue that drives investment, shapes industries for sustainability and ensures decent work. Through social dialogue, consultation and collective bargaining, workers must be involved in shaping their future jobs and communities. Workers require a clear vision of future industrial and energy options and the impact on workers. In sectors where job losses are unavoidable, social partners (unions and employers) need to develop

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2. <http://www.ituc-csi.org/IMG/pdf/modeling.pdf>

3. http://www.ituc-csi.org/IMG/pdf/ituc_green_jobs_summary_en_final.pdf

4. http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_181836/lang-en/index.htm

binding transition strategies that offer new opportunities to employees, invest in community renewal and actively shape structural change well in advance. Costs and benefits must be justly shared.

10 Unions represent workers employed in the energy and fossil fuel sectors and in other areas that will be affected. And while companies make the necessary changes to compete in the green economy, the issue of job losses must be addressed. Workers in these sectors have contributed to today's prosperity, are the backbone of many communities and they must be guaranteed a future. Redeployment, the chance to further develop their skills and make a contribution in new sectors and secured pensions must be an integrated package of guarantees.

11 In addition to sustainable industrial transformation the energy costs for households must remain affordable in the transitional phase. The burden must be distributed fairly, taking into account pressures on low-income households and energy intensive industries where change will be felt most.

Recognising complexity

12 Whether governments' actions start with the reduction of emissions of short-lived greenhouse gases or engage on broader macroeconomic changes to transform the energy mix, transition issues are complex. Putting in place the national and sectoral dialogue needed to engage all relevant stakeholders, including unions and workers, is fundamental to ensuring public support for action and change. Governments must take their responsibility: they must adopt commitments that are in line with their countries' capacities and responsibilities in light of the shared temperature goal.

Resilience must be about people

13 Trade unions insist that at all levels there is an opportunity to engage in a discussion on adaptation and resilience policies, as disruption of our economies, jobs and livelihoods is already being faced by millions in the developing world, with increasing numbers in OECD countries. Whilst recognising the importance of building climate-resilient infrastructure, it is wrong to limit climate-resilience policies to complex modelling and large capital-intensive investments. The deployment and reinforcement of social protection policies, including income protection in case of temporary job losses, strengthened access to health services, maternity and child protection – all at the heart of social security systems – is critical to succeed in building resilience in the long term. These measures are key for securing livelihoods in an increasingly unstable and unpredictable situation. All those services are today under threat from austerity policies in many countries. This is one indication of the contradiction between commitments taken in the Paris Agreement and ongoing domestic policy decisions.

Resource Efficiency and the Transition towards the Circular Economy⁵

14 The current economic paradigm is not only depleting natural resources to the extent several planetary boundaries are in the process of being surpassed, but also spreading hazardous and toxic substances in the environment as well as in our genes. It is creating social as well as environmental damage. In contrast the circular economy, with its emphasis on a long term vision on how to organise production and services, the need for skilled workers to develop those and its focus on aiming at zero impact of our economies on natural resources and the environment, holds the promise of a different model.

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5. For more detailed analysis see the European Trade Union Confederation statement on Circular Economy, http://www.epsu.org/sites/default/files/article/files/ETUC_answer_2015_European_Commission_consultation_on_the_Circular_Economy.pdf

15 Trade unions look at the transition to a circular economy as an opportunity which has to be carefully planned to succeed in achieving its aims.

Employment: quantity and quality of jobs at stake

16 Overall, the movement towards a circular economy should be accompanied by the creation of jobs across the value chain, including in research and innovation, product design, reuse and recycling of parts. Environmental targets and policies will only create the expected number of jobs if they are supported by an appropriate set of labour market instruments. The integration of employment and environmental policies is critical. Education, training, lifelong learning and skills must be an important part of the employment dimension of any circular economy strategy.

17 The quality of the jobs created should not be overlooked and the OECD Job Quality Framework⁶ provides an important benchmark for assessing job quality. The waste sector has experienced transformations in a recent past which have had a very negative impact on the quality of work; dramatic intensification of work due to cut-throat competition between service providers, dysfunctional industrial democracy due to the difficulty in representing workers in a context of the lengthening of value chains, precariousness of employment due to contracts of limited duration between contractors and service providers, unequal working conditions in a sector with a very fragmented workforce. The shift towards a circular economy must not be allowed to lead to the creation of more unregulated jobs, with bad working and employment conditions and with new risks.

18 Quality employment is also important to enhance the attractiveness of sectors and activities which will lead the transition. To avoid a workforce shortage, sectors and activities which will be strategically important for the circular economy must be enhanced and offer quality jobs to those who contemplate making their career in these fields of activities.

19 Occupational health and safety should be one of the priorities of moving towards a circular economy as recycling waste appears to be a very hazardous occupation. According to the UK Health and Safety Institute, the death rate of workers in the recycling industry is 16 times higher than the average for all UK industries. Moreover, workers from the sector face long-term risks due to their exposure to dust, toxic materials and infections. In Italy, the National Work Accident and Occupational Disease Insurance Agency (Inail) reported that workers in the waste sector have five times more work accidents than all sectors put together.⁷

Regulations and Policy interventions matter

20 The correct regulatory framework is crucial for stimulating a shift towards a circular economy. Greater coherence is necessary between initiatives related to the circular economy and product market regulation. The responsibility of producers and distributors should be developed to cover issues of efficiency in natural resource use. Establishing and extending the length of product guarantees and imposing obligations in terms of product disassembly and recyclability are key measures to be introduced.

21 Policy developments should be based on an analysis of the life cycle of consumer goods to take into account all resources used, from the extraction of raw materials, through to the destruction or recycling of the product. This is a crucial pillar of a proactive industrial policy agenda that trade unions have proposed and is urgently needed to ensure that industrial sectors are restructured to minimise their impact on the environment and are made accountable for their resource use.

22 Public authorities have a key role to play, in particular by setting an example through the systematic use of “Green Public Procurement”, based on selection criteria reflecting a high level

6. <https://www.oecd.org/std/labour-stats/Job-quality-OECD.pdf>

7. ETUI, “Waste and recycling: workers at risk”, HesaMag #09, 2014, pp 23-25

of environmental protection.

22 Public investment must better support the shift towards a circular economy. Public authorities should strongly drive both private and public research and development activities, in particular with a view to supporting technological innovation. The guarantee of public funding of research and innovation activities constitutes one of the main aids to this transition, but only on condition that research agendas are targeted towards the common good. Support for research in the private sector should avoid excess profit taking and be conditional upon commitments regarding social and environmental policy targets. Gradually phasing out environmentally harmful subsidies while distributing support to avoid crippling short term costs to households, as well as better integrating environmental goals and natural resources in investment and taxation policies must be considered as tools for the transition towards a circular economy. Just transition measures must be financed by a reallocation of taxation revenues and other funds. Taxation should be used as a means of regulating the price signals needed to promote energy and resource efficiency, which should not be left to market mechanisms alone.



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