



EPSU Position on the European Commission Recommendation for a 2040 emissions reduction target

22nd February 2024

The European Federation of Public Service Unions (EPSU) welcomes the Commission's ambitious Recommendation for a 2040 emissions reduction target, published on 6th February 2024. Over the next 16 years, the European Commission wants to achieve a 90% net reduction in reduce greenhouse gas emissions compared to 1990 levels. This evidence-based target reflects what is needed to set the path to climate neutrality in 2050. However, whilst evidence-based, the 2040 target will not be achievable without vast amounts of public funding and will not be supported by those affected without corresponding labour and social policies that ensure workers and communities are not left behind.

In response to the Recommendation for a 2040 emissions reduction target, General Secretary of EPSU Jan Willem Goudriaan stated *"Austerity measures scupper the ambitious climate goals of the EU. The 2040 emissions reduction target will be impossible to reach without economic governance rules that protect and encourage green, digital and social investments. This public investment must be accompanied by social conditionalities. No public money should go to companies that do not conclude collective agreements with the unions."*

In response to the Commission's Recommendation, EPSU underlines the following points:

- **Austerity measures will prevent the EU from meeting the 2040 target.** The European Commission itself estimates an investment of €1.5 trillion a year would be required to reach the 2040 target. It is clear that the private sector alone is not investing enough to reach these goals, there must also be vast amounts of public investment. However, the Recommendation was published just days before the European Parliament and Council of Ministers reached agreement on the review of the EU's fiscal rules, ushering in a new wave of austerity. Such austerity measures must be rejected, and adequate public funding must be made available at both national and EU level. Public procurement must be attached to social conditionalities so that public funds do not go to tax avoiding companies, or those that do not respect trade union and collective bargaining rights.
- **Quality public services are crucial to achieving the EU's decarbonisation efforts.** To implement the necessary measures to meet the 2040 target, and to mobilise adequate resources, there is a need for quality public administrations, environmental protection agencies, labour inspectorates, and tax administrations etc. Furthermore, publicly owned utility companies are best positioned to deliver the far-reaching reforms necessary to reduce emissions in a socially just manner.

- **Social partners must be involved at both European and national, sectoral and cross sectoral level.** Ahead of the publication of the 2040 climate targets, the European Commission discussed the Recommendation with the European cross sectoral social partners, which is the first time the European trade union federations have been formally consulted on a climate communication. However, it is important to provide for more systematic and regular consultation. In the Recommendation, the European Commission commits to launching dialogue with the relevant stakeholders. The special role of social dialogue between trade unions and employers must be recognised in order to achieve the 2040 climate goals in a socially just and fair manner.
- **The evidence-based emissions reduction target must be accompanied by a dedicated Just Transition Directive,** as proposed by the European Trade Union Confederation, to address the combined impact of the climate emergency, which is environmental, social and economic. In order to gain the necessary support of workers and people in the regions and sectors impacted by the transition, the European Green Deal needs to include initiatives to protect their social and labour rights. This should not be limited to regions highly dependent on coal, lignite, peat, oil, and carbon intensive industries, as are currently supported by the EU Just Transition Mechanism. It should be expanded to cover all sectors that will face increased pressure, including many public sectors such as emergency and health services and the waste sector. A Just Transition Directive should be coherent with the European Pillar of Social Rights, and should recognise workers as actors of the transition, not resources.
- **More needs to be done to address the root causes of energy poverty.** The Commission recommends phasing out as soon as possible inefficient fossil fuel subsidies, except for those subsidies that address energy poverty. Whilst the focus on those in or at risk of energy poverty is positive, it is also necessary include specific measures that tackle the root causes of energy poverty. For example, through renovation of energy inefficient, low-income housing. The Recommendation also states that the implementation of the climate and energy framework, necessary to achieving the 2040 targets, will be complemented by a broader framework to ensure that all EU citizens can benefit from the transition and access affordable solutions. As has been made clear by the current energy crisis, this requires a rethinking of liberalisation and market-based solutions that have exacerbated the unequal impact of the transition and left millions in energy poverty. There must be an EU level inquiry into the consequences of the deregulation of the EU electricity market, including on working environments, pricing, and the functioning of the electricity market as a whole. Furthermore, it is important to ensure that household users of electricity are not faced with the extra costs of guaranteeing finance for private investors of low or zero carbon options.
- **There needs to be stronger accountability for companies that undermine the EU's efforts to reduce emissions.** Stricter enforcement of key principles such as the Polluter Pays Principle is needed to ensure that companies act in a way that helps the EU to achieve the 2040 climate targets. The recently adopted Corporate Sustainability Reporting Directive and the proposed EU Corporate Sustainability Due Diligence Directive can help to ensure companies are not undermining the EU's efforts to reduce emissions.

For more information on the role of quality public services in achieving Europe's green industrial ambitions: <https://www.euractiv.com/section/economy-jobs/opinion/quality-public-services-vital-to-reach-europes-industrial-ambitions/>