

ENVIRONMENT

Climate Policy and Social Justice: Striking the Right Balance

By Jo Leinen



Jo Leinen is a German Member of the European Parliament and a Member of the Party of European Socialist

As Europe struggles to cope with the impact of the economic crisis, criticism about the impact of regulatory policies and the additional burden through environmental policies comes up in public debate more often. This is one of the reasons for which we must ensure that the policies we develop do not have a disproportionate impact on the most vulnerable groups in our societies. We can only succeed in the fight against climate change if the measures we adopt to meet our greenhouse gas emission reduction targets receive widespread public support. Winning that support is unlikely if our policies are perceived to be unfair, hitting those who can least afford them hardest at a time when they are struggling to cope with the impact of the recession. Therefore, the Belgian King Baudouin Foundation (KBF) organised an EU-wide stakeholder dialogue in an attempt to determine what steps might be taken that would both enhance social justice and mitigate climate change. The KBF has now published its report, which contains many ideas that are important of policy-makers in the European Parliament. But these proposals should not be restricted to European policy-makers, but rather be considered at national and regional level as well. The principles and issues it highlights are of vital interest to our electorates.

The underlying principle is clear: our climate-change mitigation policies should contribute to social justice and our social policies should contribute to the fight against climate change.

In appraising what measures to recommend, it highlights a number of key principles. One is that we should limit the potentially negative social impacts of mitigation efforts and, when harm is unavoidable, those groups that are vulnerable need to be compensated. And, second, local communities and citizens need to be involved in the development of climate-change policies.

Many of the specific recommendations seem eminently sensible. We need an EU-wide definition of energy poverty and targets for reducing it. We need an EU roadmap for the introduction of minimum energy-efficiency standards in our current building stock, not just in new buildings. It makes sense to subsidise energy-efficient building materials at the point of sale. And it is appropriate that low-income households should be allocated a fixed percentage of energy-efficiency subsidies.

It is also right that finance should be greener. Should VAT be transformed into a green tax to promote low-carbon products (with variable rates to take account of carbon emissions)? Should low-interest loans be offered for low-carbon investment projects? These ideas – and the notion of green banks and green financial instruments – deserve discussion, as do its recommendations regarding (among other issues) power generation, manufacturing, and consumption.

Climate change and social justice are big issues that cut across the EU's policy areas, so the EU needs a co-ordinated approach. The Europe 2020 Strategy could serve as a very

useful framework. I would like it to include a major investment plan to renovate 40% of all social housing to improve energy efficiency.

The EU's Social Fund is another mechanism that could be used, particularly to encourage partnerships between the private and public sectors to promote projects that combine environmental and social objectives, and to help meet carbon-reduction and poverty-alleviation targets.

The political rationale for adopting this principle is overwhelming: to curb climate change, our policy measures must command widespread public support. Winning that support is now an even greater challenge than it was. The financial crisis has become an economic crisis. Scepticism about the science of climate change is growing in many member states. And the failure of the Copenhagen climate talks last December has taken some of the wind out of the public and policy-makers' debate alike. It will be even harder to win support if our policies are perceived to be socially unfair.

Above all, the topic at its heart is vital. If we can move this neglected issue to the forefront of debate, it could be a powerful political tool, as well as a spur to a better policy.

Jo Leinen is a German Member of the European Parliament and a Member of the Party of European Socialist, he is the Chair of the Committee on the Environment, Public Health and Food Safety and was the head of the delegation from the European Parliament at the COP15 in Denmark 2009



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Low-carbon development: a shared challenge for Asia and Europe

By Shada Islam

It's no secret: international efforts to curb global warming continue to divide Asia and Europe.

European and Asian governments did not see eye to eye at the climate change summit held in Copenhagen last December, and as preparations intensify for another international meeting on global warming – this time in Cancun, Mexico – at the end of the year, prospects for a credible and enforceable agreement remain elusive.

Europeans are demanding a legally binding global deal on curbing carbon dioxide emissions while key Asian nations, including China and India, oppose any move which they fear could slowdown economic growth and development.

For all their differences and public spats, however, Asian and European governments face a shared challenge: keeping carbon emissions as low as possible to prevent further environmental damage while, at the same time, creating the growth necessary to raise living standards.

It is imperative therefore to shift the focus from confrontation on achieving climate change targets to cooperation on developing a low-carbon economy. Such collaboration could be based on crafting new economic, technological and social systems of production and consumption which allow for a reduction in greenhouse gas emissions while maintaining the momentum towards economic and social development. The question will figure high on the agenda of the eighth ASEM (Asia-Europe Meeting) summit in Brussels on October 4-5. Finding common ground within ASEM on the development and implementation of low-carbon growth strategies is not difficult. After all, both regions are tackling climate change and have made significant commitments to reduce greenhouse gas emissions.

EU governments are committed to a 20 per cent reduction in 1990 greenhouse gas emission levels by 2020 and have said they are willing to move to 30 per cent as part of an international agreement.

China has said it will try to voluntarily reduce its emissions of carbon dioxide per unit of economic growth – a measure known as “carbon intensity” – by 40 to 45 percent by 2020, compared with 2005 levels. India has set a domestic emissions intensity reduction target of 20 to 25 percent by 2020, compared with 2005 levels, excluding its agricultural sector. It has also set ambitious targets for solar energy. Meanwhile, Indonesia, Vietnam, Thailand and the Philippines have adopted important forest conservation measures.

Despite their different development levels, Asia and Europe share a common challenge of dealing with various facets of developing a low-carbon economy: managing urbanisation, creating so-called “green jobs”, protecting forests, raising public awareness, investing in research and development as well as training experts in green growth.

This requires coordination among states as well as a sharing of information and technology. In fact, since low-carbon development is a new concept for both regions – and there is no pre-established path towards achieving this goal – there is space for cooperation, joint learning and collective Asia-Europe action.

For European governments, green growth will help fight unemployment, provide new export opportunities and also help meet reduced emission targets. For their part, Asian countries, struggling to combine high-growth, poverty reduction and low carbon development, will have an opportunity to leapfrog technology and avoid high-carbon consumption patterns, for example through a more widespread use of low emission cars. There are already examples of Asia-Europe cooperation to encourage low-carbon growth. The Switch-Asia programme, launched in 2007 with a 90 million euro financing by the EU over a period 2007-2010, is working to spur a systematic change towards environment and climate friendly consumption and production practices. The second decade of the 21st Century will undoubtedly be decisive for accelerating low-carbon development. Discussions, information exchange and cooperation within ASEM could help foster the transition towards a low carbon future.