Opinion of the European Economic and Social Committee on 'Climate Change and the Lisbon Strategy'

(2008/C 44/18)

On 25-26 April 2007 the European Economic and Social Committee, acting under Article 29(2) of its Rules of Procedure, decided to draw up an opinion on *Climate Change and the Lisbon Strategy*.

The Section for Agriculture, Rural Development and the Environment (The Sustainable Development Observatory), which was responsible for preparing the Committee's work on the subject, adopted its opinion on 1 October 2007. The rapporteur was Mr Ehnmark.

At its 439th plenary session, held on 24 and 25 October 2007 (meeting of 24 October), the European Economic and Social Committee adopted the following opinion unanimously.

1. **Conclusions**

1.1 Climate change has become our meeting with destiny. Climate change is not only a threat to welfare, but also to our very survival. It is a truly global threat, and it is accelerating, as emissions continue to increase.

1.2 Scientists tell us that we have a time envelope of 10-15 years in which to stem those emission increases. The conclusion is obvious: there is no time for idleness.

1.3 The European and Social Committee (EESC) urgently asks the European Commission to launch programmes and measures to implement the ambitious objectives set out by the European Council in March this year. Citizens are waiting for clear signals on priorities and measures. Europe should take the lead in implementation, not only in planning.

1.4 Mitigating climate change requires an extremely broad-ranging and sustained effort. As climate change will have effects on virtually all parts of society, both the public and private sectors will have to take responsibility.

1.5 The EESC underlines the need for transparent measures, making it possible for citizens to both follow and be inspired. Measures have to be planned and implemented in a bottom-up approach.

1.6 The EESC underlines the need for sustained efforts in communication and consultation with citizens and local communities.

1.7 The EESC strongly recommends that the Lisbon Strategy for competitiveness and jobs include a major effort against climate change. The Lisbon Strategy already contains a commitment to sustainable development. Now is the time to integrate the fight against climate change.

1.8 Using the Lisbon Strategy as a tool — and making the Strategy 'green', means that the EU can use an existing structure, with a well-established methodology and a well-functioning system of coordination. The EU has to maximise efficiency and use existing synergies whenever possible.

1.9 The EESC presents a map for integrating climate change issues into the Lisbon Strategy. Of particular importance is the capacity of the Lisbon Strategy to achieve broad consensus around common objectives and measures.

1.10 The EESC underlines the necessity to developing a number of integrated guidelines for fighting climate change, to be included in the Lisbon Strategy. As with other guidelines in the Strategy, these will be subject to the same assessment and comparison procedures, including the open method of coordination.

1.11 Climate change may accentuate current social distortions and gaps, in both the EU and in other parts of the world. Climate change is a major test for our capacity for solidarity. The objective must be to manage adaptation and achieve mitigation without causing unemployment and social distortion. The fight must not lead to increasing numbers of citizens living in poverty. The EESC underlines the importance of a continued Lisbon Strategy that combines competitiveness, social cohesion, and action against climate change.

1.12 Financing the fight against climate change must be built on combined private and public resources. The European Investment Bank has a key role to play in this respect. The EU's own budget should highlight where resources are directed to measures against climate change. The EESC strongly recommends that the Commission develops instruments for producing a 'green' GDP.

1.13 Fighting climate change can generate positive competitive effects. Global markets are searching for new, energy-saving solutions, for example, in the transport arena. Investments in research and development should be upgraded. Lifelong learning is more essential than ever.

1.14 The work ahead can be described as a test of our participatory democracy. Citizens expect to be consulted. The social partners have an extremely important role to play in this as the bridges between citizens and governments. Social dialogue at all levels is a key instrument. Organised civil society will have an essential role, not least in the area of social economy.

1.15 The EESC will remain heavily committed to the fight against climate change. The EESC is ready to make concrete contributions, as it is already doing for the Lisbon Strategy. The EESC will work in the spirit of solidarity between peoples and generations, internally to the EU, and externally.

1.16 The fight ahead will require a dedicated and responsive political leadership.

2. **A vigorous climate change programme from the EU**

2.1 The European Council, in March this year, adopted a vigorous and ambitious programme for fighting climate change. The Action Plan included a target of 20 percent renewables in the EU energy mix, a 20 percent reduction in greenhouse gases (GHG) by the year 2020 (and up to a 30 percent reduction under some conditions), and the long-term objective of reducing GHG emissions in the EU by 60-80 percent by the year 2050. Moreover, the EU decided to increase energy efficiency within the EU by 20 percent by 2020. With this Action Plan, the EU has taken a lead, globally speaking, in the efforts to fight climate change.

2.2 The European Council was less clear concerning the instruments for implementing the objectives. The European Commission was asked to provide proposals for future decisions. In addition, the Commission launched a public consultation on how to adapt to climate change.

2.3 The sense of urgency has been highlighted in a number of statements. For example, Commission President José Manuel Barroso stated earlier this year that the EU must continue to lead in the fight against climate change and to provide an incentive for others to follow: 'The leadership comes with the EU's commitment to cut emissions by at least 20 percent by 2020; the incentive by making clear that we will go further if others join us. It is, after all, global warming, not European warming'.

2.4 'The Commission's proposals on energy and climate change form a central part of the Lisbon Agenda for Growth and Jobs', stated Mr Barroso. The Lisbon Strategy, decided in 2000, established the objective of making the EU 'the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion'. Energy policy was defined in 2006 by the European Council as one of the Lisbon Strategy's four priority areas. No 11 of the integrated guidelines for growth and jobs, for the present three-year period, also recommends to the Member States to make use of the potential of renewable energies and energy efficiency for growth, jobs and competitiveness.

2.5 The EU has to find a balance between competitiveness, cohesion and the rapidly growing threats from climate change. The purpose of this opinion is to explore where synergies and conflicts exist — or could exist — in the fight against climate change.

2.6 The costs for returning GHG emissions to current levels in 2030 have recently been estimated to be over USD 200 billion ([1]). In a recent report by the United Nations Framework Convention on Climate Change the distribution of costs is the following:

— Industry: USD 38 billion

— Buildings, mainly insulation: USD 50 billion

— Transportation: USD 90 billion

— Waste: USD 1 billion

— Agriculture: USD 30 billion

— Forestry: USD 20 billion

— Technology research: USD 35-45 billion.

The figures indicate the need for effective management and coordination. To this (as the Stern Review pointed out last year) should be added the high costs of doing nothing. In fact, the longer we wait, the more expensive the work will be.

2.7 Financing the work ahead is a major challenge. The EESC calls on the European Commission to launch consultations with public and private stakeholders in order to establish priorities. The European Investment Bank as well as the Structural Funds have a key role to play in financing solutions.

([1]) United Nations Framework Convention on Climate Change (UNFCCC): Analysis of existing and planned investment and financial flows relevant to the development of effective and appropriate international response to climate change.

2.8 The Lisbon Strategy will next be reviewed by the European Council in March 2008 with the new planning period stretching to 2011. The review is an opportunity to highlight synergies.

3. **The core challenge: realising potential synergies**

3.1 The Lisbon Strategy has been a key tool for promoting common objectives between the 27 Member States. This is an achievement in itself. Climate change introduces a number of new policy issues to the European agenda. The potential for synergy effects is considerable.

3.2 From the outset, the knowledge-based society was seen as one of the key foundations of the Lisbon Strategy.

3.3 Innovation policies, support for innovation centres, and new initiatives for promoting the transfer of knowledge from research to products are part of the Lisbon Strategy and of the EU programme against climate change. In the fast growing market for energy-efficient products, Europe is in a leading position in many areas. However, in the manufacturing industry sector, Europe may be vulnerable to competition from foreign producers with emphasis on small and fuel-efficient cars. Further expansion of the service sector, commensurate to the introduction of ambitious measures against climate change, will be important.

3.4 Climate protection is also about energy policy. Europe must speak with one voice when it comes to its foreign energy policy. By acting together, it has a negotiating power whose interests — climate protection, energy security, affordable energy — cannot be ignored.

3.5 Climate change may accentuate current social distortions and gaps. Ambitious education policies will help to avoid such developments.

3.6 The repercussions of climate change policies on employment will emerge as one of the crucial issues. The ambition must be to manage adaptation and mitigation without causing widespread unemployment. The changing industrialised landscape will create a wider demand for lifelong learning and will necessarily engender changes in the organisation of labour, jobs and income.

3.7 Firm support from local communities is needed for a successful fight against climate change. Projects to create carbon-neutral villages attract much interest. There is a substantial need for exchanges of experience. The demand for building low-energy houses will grow, as will the demand for renovation and insulation of houses.

3.8 Agriculture also has a role to play both in the arena of climate change and in the context of the Lisbon strategy, not only as an economic activity affected by climatic changes but also as a sector with the potential to help mitigate the impact of those changes. It is important — now more than ever — to encourage agricultural researchers to continue their quest for ways to cut farm inputs and modify soil techniques while at the same time maintaining optimum yield, and also to ensure the future availability of new plant varieties that are better suited to climatic changes. Attention should also focus on the whole aspect of non-food primary agricultural production. Provision should be made for ongoing training appropriate to the sector.

3.9 The use of Structural Funds will be influenced by climate problems such as desertification and rising sea levels. Another factor is people living in peripheral areas where rising energy prices will create very real problems. Maintaining living conditions is an issue where the networks created within the Lisbon Strategy can make a valuable contribution in the form of the exchange of experiences.

3.10 The examples given all indicate the scope and urgency of using the opportunities for coordinated actions between the Lisbon Strategy and the European Climate Change Programme.

4. **Towards a new definition of growth**

4.1 It is important both in economic terms but also from a climate change perspective that measures under the Lisbon Strategy goal of 'sustainable growth' be adopted. The new Lisbon Strategy's three-year programme should therefore carefully examine the definition of 'growth'. Growth that is carbon-neutral, or even has a positive carbon balance should be promoted.

4.2 The Committee has pointed out on several occasions that growth can no longer be seen in purely quantitative terms; rather, a new concept of growth is needed, which puts qualitative objectives based on sustainability criteria first. These sustainability criteria of course include a decoupling from growth in GHG emissions. It therefore reiterates its call upon the Commission and the Council:

— to determine whether or not there is a clash between the sustainable development strategy and the fight against climate change on the one hand, and the Lisbon Strategy on the other, particularly as regards the use of GDP as an indicator of social welfare and economic prosperity; and

— to indicate the requisite features of any new 'prosperity indicator' more in line with sustainability principles — which could be called for example 'smart growth' or 'green GDP'.

5. **Transport — an area of conflict?**

5.1 The conflict of objectives is particularly acute in the transport sector. The Lisbon Strategy emphasises the importance of adequate transport corridors and networks of transport means. The result is that a great deal of work has focused on expanding road transport. But this is completely in conflict with climate change mitigation.

5.2 In the context of the present economic growth in the EU countries, the volume of road transport is increasing swiftly; some calculations indicate a growth of up to 40 percent in the period up to 2020. The increasing volumes of air transport add to this. For the moment, the growth in transport has not been decoupled from an increase in GHG emissions, and there is no 'silver bullet' in sight. Biofuels will not be able to replace fossil fuels in the near future and likely technical improvements in fuel and motor efficiency alone will most probably not be able to compensate for the projected increase in transport volume.

5.3 The new three-year plan for the Lisbon Strategy should approach the transport issues also from a climate change perspective. The objective should be that the EU must have an adequate transport system — but that transport systems will have to give more consideration to their effects on the climate. The fact that goods transport by rail is only marginally increasing is a very serious warning signal. This was further emphasised last year in the Transport White Paper, where the focus was on road and air transport and not on rail and internal waterways. Looking at the Structural Funds, it is obvious that considerable resources are spent in a way that does not lead to a decrease in GHG emissions, but rather the opposite.

5.4 In the perspective of the next 20-50 years (a timespan used by the European Council on climate change issues) Europe will have to find transport structures that are both effective and climate supportive. Why are there, to take one example, no provisions for transporting more urgent goods via TGV?

5.5 Increasing road transport volume also means that aging lorries — with 'dirty' engines — are kept running, even though they emit large amounts of GHG. The Commission should initiate consultation on methods for modernising old lorry fleets — and, ultimately, for the phasing out of outdated and inefficient vehicles. Moreover, measures have to be taken on the demand side. Incentives have to be put into place in order to reduce the overall amount of transport and to switch to more sustainable transport modes.

6. **A road-map for integrating climate change issues and the Lisbon Strategy**

6.1 The objectives set for EU work on climate change will require considerable input from many institutions and stakeholders. It stands to reason that the working methods and experiences of the Lisbon Strategy should be utilised.

6.2 Above all, it will be of paramount importance that the Lisbon Strategy, with its three-pillar work approach, integrates the climate change objectives into its operational programme with a view to accelerating progress in priority areas.

6.3 A road-map for an integrated EU effort to mitigate climate change, and to adapt to it, would include the following points:

6.4 The European Commission should review present programmes in order to highlight climate change issues in the present budget. In the next budget period, significant resources will have to be reoriented to fighting climate change. It is, however, likely that some resources will have to be transferred already in the present budget period. It must be underlined that the key responsibility for mitigation and adaptation lies at the national level.

6.5 The European Commission will present legislative proposals on renewables and emissions by early December. This will make it possible for the European Council to take necessary decisions in March 2008, in the context of identifying guidelines for the next three-year period of the Lisbon Strategy. This will be a crucial opportunity for promoting a joint implementation.

6.6 It is particularly important that the European Commission should be able to establish the necessary coordination between its units and services. The EESC has previously, on a number of occasions, stressed that internal coordination in the Commission is of extreme importance.

6.7 On the basis of Commission proposals and Council decisions, a major information and communication effort should be launched, with the objective of raising citizens' awareness and of promoting initiatives at local and regional level.

6.8 In the light of the forthcoming proposals on renewables and emission reductions, the EESC emphasises the importance of close and continuous dialogue with the social partners and organised civil society. The EESC recommends that the social dialogue be used as one of many forums for information and consultation. It is imperative that organised civil society should also be involved in the deliberations.

6.9 To sum up some of the particular proposals for the road map ahead, the following points should be made:

— assessment of operational objectives for three-year periods;

— integrating climate change issues into the broad policy guidelines, in economic and social fields;

— inclusion of climate change issues in the annual national reform programmes on progress on the Strategy;

— involvement of stakeholders, particularly at national and local level;

— comparative reports by the Commission on progress made;

— widening of the use of the Open Method of Coordination to include climate change issues;

— active involvement of the mass media and stakeholder organisations in providing citizens with up-to-date information on progress made;

— targeted support for innovative projects, particularly local communities in the development of carbon neutral platforms (cf. examples from the UK).

6.10 Possible examples for benchmarking climate issues in the Lisbon Strategy:

— increasing the percentage of rail and internal waterway transport by two percent each year;

— increasing the use of energy-saving lamps in public buildings by a certain percentage each year;

— initiating school information-communication days for all pupils, one day per year.

7. **Role of the social partners and organised civil society**

7.1 Climate change and the Lisbon Strategy are together major challenges for the Union. It is imperative that actions and programmes are drafted and decided on from the bottom-up, not the other way around. Social partners and organised civil society must be integrated in the work.

7.2 The EESC will be ready to make a contribution with its network of stakeholders.

8. **The need for political leadership**

8.1 The European Council has taken a rigorous decision on objectives for reducing the emissions of greenhouse gases.

8.2 What this will mean, in more practical terms, for our societies and our citizens' everyday lives, is one of the big issues ahead. What kind of society do we want? How can the European Social Model adapt to the multiple challenges that climate change will bring? How will the Model be able to manage parallel demands for competitiveness, social cohesion and sustainable development in a globalised environment? These should be themes for the continued debate on what kind of a society citizens want.

8.3 In a number of opinions in recent years, the EESC has underlined the need for political leadership in the work on climate change and sustainable development. This demand is no less important today.

8.4 Climate change is coming rapidly. There is some anxiety among citizens. What is needed now is a constructive political leadership, not only at European and national level, but very much also at municipal and local level.

Brussels, 24 October 2007.

The President

of the European Economic and Social Committee

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