Climate and Environment Cluster

Green transition fast forward - Ten actions for systemic change

We human beings are part of the wider living nature on earth. We cannot survive without clean air, water, fertile soils, a stable climate and intact ecosystems. Global warming, loss of biodiversity and pollution are causing great harm to all societies around the globe, often hitting those first and hardest who contribute little to these crises. The exploitation of natural resources is linked to extreme inequalities between those benefiting and those unable to fulfil even their basic needs. The COVID-19 pandemic has exacerbated existing injustices. We fully understand our exploitative trajectory, and yet, the current pace of change towards sustainability is far too slow to avoid severe damage to the living nature we all depend on. We need bold decisions to accelerate the green and just transition now.

The following ten actions for systemic change have been developed by the cluster “The Fight Against Climate Change and Environmental Challenges” which brought together more than twenty civil society experts, their organisations and vast networks working on climate, environment and sustainable development, youth, social justice, human rights, culture, education, local and European democracy.

Where we stand

Europe’s efforts to reduce greenhouse gas emissions since 1990 have resulted in some domestic reductions, but also in a shift towards emissions outside the EU as we import more materials and products. Decision-makers are not doing enough to reduce energy consumption and to rapidly phase out fossil fuels. We need to accelerate emission cuts beyond currently planned levels, in line with science to at least minus 65% by 2030 compared to 1990 and consistent with reaching climate neutrality by 2040. The acceleration towards reduced resource use, more energy savings and a fully renewable energy system requires a massive mobilisation to protect consumers from price surges and achieve energy independence from unstable regions and autocratic regimes.

Across Europe and beyond, human activities are causing the destruction of ecosystems and unprecedented levels of species loss. We are facing an extinction crisis. To protect the region’s most precious nature, the EU has created the largest network of protected natural areas in the world, Natura 2000. However, we must increase areas where nature can thrive, and governments must use these vital protections to their full potential to restore large and interconnected natural areas. Beyond our borders, we must ensure our activities do not further contribute to ecosystem and biodiversity loss in other parts of the world.
**Water** is one of our most precious natural resources, vital for our survival and livelihood. Sixty percent of Europe’s rivers, lakes and wetlands are not in good ecological health. Governments must make the implementation of European water protection rules a top priority. **Air pollution** is Europe’s invisible killer. Each year in the EU over 400,000 people die prematurely because of breathing toxic air, and it disproportionally affects low-income households. **Industrial pollution** still happens on a massive scale. While EU laws seek to prevent pollution from factories and power plants, we must ensure the use of the best available techniques and stop highly polluting processes to end pollution at the source.

Tens of thousands of **chemicals** go unchecked for their potential effects on human health and the environment despite the introduction of EU chemicals legislation. Chemical production is growing even faster than worldwide gross domestic product. Levels of toxicity are increasing, too. Phaseouts and substitution are too slow while exports of highly hazardous chemicals banned inside the Union continue. **Waste** from plastic to electronic scrap is on the rise and Europe cannot deal with the increasing amounts. Too much still ends up in dumpsites and incinerators or is leaked to poorer countries. **Plastic** has become the symbol of our throw-away society and contributes to major problems including ocean pollution. There is only one way out: we must avoid waste.

Our economic system is based on the increasing extraction of finite resources from the natural environment. The EU is heavily dependent on raw materials from other parts of the world. We need to set and achieve an **absolute reduction of resources and raw material use**, comparable to reduction targets for greenhouse gas emissions, aiming at **sufficiency**, curbing overconsumption and ensuring **global resource justice**. We need to avoid a paradoxical situation where the green transition further increases our need for rare materials and resources. Currently, companies are allowed to sell products with a built-in life span which we throw away to then buy new ones. We need to move to a **circular economy** to the highest degree possible where waste is prevented, and products are reused or recycled.

The **food system** of the EU is broken. Intensive agriculture is an important driver for nature loss and climate change, it harms our health and pollutes water and air while enormous amounts of food are wasted. Retailers have been pushing down prices for food to levels not sustainable for producers while taxpayers’ money through the Common Agricultural Policy (CAP) funds intensive agriculture. We need to support farmers in producing healthy and sustainable food for fair prices. Without **soil** humans would cease to exist. Farmers are caught in a vicious circle where they are forced to buy ever more chemicals to keep up with production rates. Every day, hectare after hectare is sealed under concrete.

And all these challenges are linked to **social and environmental justice, in Europe and globally**. In Europe, those on low incomes (often working in crucial sectors such as care) and those whose
jobs are likely to be lost in the transition risk paying a high price. Taking a global perspective, the EU has contributed more than 20% of historic emissions (not even counting those embedded in all the goods imported for consumption). The EU is one of the most resource-dependent regions in the world importing more than 90% of its oil and gas, large shares of its mineral and metal resources or feedstock for farm animals. All these come with severe environmental and social impacts in other parts of the world. We need to ensure social, environmental and climate justice in and beyond the EU’s borders.

Change is possible – a vision for a sustainable Europe

The good news is that humanity can live a decent life in harmony with the rest of nature by stopping overexploitation of natural resources, respecting ecological boundaries and ensuring a fair share of those resources. Healthy food, decent housing and work, the enjoyment of human rights and safety, education, culture and leisure – human wellbeing – remain within reach for all. Europe can and must take the global lead in the transition to long-term sustainability and champion global climate and environmental justice.

The bad news is that we are not changing fast enough, and we need to speed up urgently. Change generates uncertainty. It triggers fears as we do not know what will come. In high-consumption societies and economies and in wealthy social groups we must cut back on material extravagances and wasteful activities such as excessive mobility, fast fashion, oversized living spaces, short-lived electronic appliances or unsustainable diets. At the same time, low-income groups already struggle with higher prices for energy, mobility and food. Political, social, economic, cultural and individual fear of and resistance against change is the decisive bottleneck that we need to address.

Not changing the current unsustainable track leads to greater risks and uncertainties, and we can only close our eyes to these for a little while. Our very existence is threatened if we do not reduce our exploitation of nature. The transition will change how we live and use our resources. These changes are often exaggerated or portrayed as restrictions. However, what the transition holds for us is living well within the ecological limits of the planet. We envisage a European society and economy that, by 2030, has ambitiously achieved the 2030 Agenda and the Sustainable Development Goals (SDGs), leaving no one behind.

This vision entails that the EU reduces its emissions by at least 65% in 2030 compared to 1990 and becomes climate neutral by 2040 by lowering energy needs and shifting to 100% renewables. It ensures that the transition is based on energy democracy and an equal sharing of ecological burdens. We live in well-insulated homes using renewable electricity and fuels. We have good accessibility with less mobility, use electric transport and fly less.
Nobody is exposed to hazardous chemicals and pesticides. Our food, water, clothes, toys and other products contain zero hazardous chemicals. Limiting the use of fossil fuels increases the price of virgin materials resulting in a more circular flow of materials. The EU is significantly less dependent on imported raw materials and has minimised mining activities in the region and globally. We buy less but more long-lasting, repairable products keeping materials alive through upcycling and recycling. We produce no waste that cannot be composted, reused or recycled. We do not need landfills or incinerators and export no waste. A toxic-free circular economy has become a reality.

Across the region, people breathe fresh air. Our rivers, lakes and wetlands benefit from clean water. Our free-flowing rivers and wetlands are strictly protected and habitats across the region have been restored. Endangered species are stable and increase. Our soil is protected from overuse, erosion, pesticides and fertilisers. European agriculture is the source of sustainable livelihoods for farmers with fair minimum prices. We will follow more plant-based and local diets. All people have access to healthy food.

We stay within a fair share of resource use ensuring that other parts of the world can enjoy their right to sustainable development. We reverse neo-colonial patterns of global trade and focus on fair, equitable and sustainable trading practices and true cooperation. Across our societies, all people enjoy their right to a healthy environment regardless of their income, social class, age, gender, ethnicity, location or other such factors and benefit from the transition. We invest in better healthcare, education, cultural and social life and nature-friendly experiences.

This is not a decline of our living standard as sceptics sometimes suggest – but the promise of a society and economy focused on the wellbeing of people and the planet.

To achieve this vision, radical change is needed in the overall economic system and different industrial sectors. Producing electricity, fuels, cement, steel, fertilisers, chemicals, food and consumer goods without emitting greenhouse gases and depleting natural resources, making cars, trucks, ships and planes that run on renewable energy and shifting to sustainable agriculture are major turnarounds. We must address over-consumption to attain a level that allows us to live well. Sustainable technologies and products must be rooted in an economic system based on new business models oriented at cooperation and the common good, overcoming the logic of infinite economic growth and based on the principle of sufficiency: we only take, produce and consume what is necessary to live well.

Today, vested interests slow down the green transition. It should not come as a surprise that too many companies such as in the oil and mining, transport, food and finance industries, protect their business interests. Multinational corporations have gained much power relative to national governments since the 1980ies. They choose where to extract and produce, where to pollute, how
much to pay their workers and where to pay taxes. They do not have to be accountable for human rights violations, environmental degradation or the lack of consultation of local communities. Both the position and interests of large and polluting industries strongly influence public opinion and policies. They will not accelerate the transition but hamper it.

National governments are in competition with each other for the favours of transnational companies and a regional block is better situated to speed up the green transition. The EU has the knowledge and the financial means to take the global lead in the transition. As the largest consumer market in the world, the EU is in the position to set environmental and social standards for other countries to follow if they want to sell their products on the European market. Taking leadership in the green and just transition creates the opportunity for European companies to become global leaders in developing sustainable products and services. Europeans will be proud to work for companies that are part of a wellbeing economy.

As a major historic and current emitter of climate change fuelling emissions, the EU has both a legal and moral responsibility to support more vulnerable societies and weaker economies at a much larger financial scale in better adapting to the climate crisis and in managing its corresponding loss and damage.

**Ten actions for systemic change**

1. **Taking back control from corporate capture and power to the people**

The balance of power has tilted in favour of transnational industries during the last half-century. A small number of large companies dominate global markets, reducing competition and generating immense profits. National governments are supporting ‘their’ domestic champions, thus becoming competitors instead of regulators in the public interest. Tax favours and tax havens, lax environmental and social protections and massive subsidies are common tools used by most countries in their struggle for competitiveness. Transnational companies locate in countries most friendly to their interests. This bargaining power combined with their vast resources has given large industries the opportunity to acquire a disproportionate impact on public opinion and policy. We need **governments to take back control from multinationals and international markets to ensure public and democratic control over the economy**.

A **balance of power between different interests** in our societies must be established. **Stakeholders acting for common interest**, organisations and grassroots movements dedicated to environmental protection and climate action, workers and trade unions, wider civil society and science must not only have a seat at the table but be able to shape the green and just transition. Transparency in decision-making, extensive consultation and participation of a wide range of stakeholders and experts is critical to the development of climate and environmental policies.
Decision-makers must openly communicate around drafting processes and who influences them, they must solicit inputs from all stakeholders and be accountable towards them. In practice, neither the European Commission, the European Parliament, the Council nor the European Investment Bank publish sufficient information during the decision-making procedures. Civil society actors must be involved at all stages of the decision-making process including implementation and monitoring, and particularly opaque processes such as the “comitology procedure” must be reformed.

European institutions and governments also need to make available more public funds for independent research, think tanks and advocacy organisations aimed at protection of the climate and environment, consumer safety, labour conditions, health care, education and culture to create the desperately needed level playing field between different interests.

2. Protecting environmental rights, guaranteeing environmental justice

In the EU, we enjoy environmental rights under the Aarhus Convention: the right to information, to public participation and access to justice in environmental matters. However, too often environmental rights are not fully granted. Access to information requests are declined. Public participation in environmental decision-making is limited by non-transparent decision-making structures. Currently, the right to legally challenge acts of EU institutions adopted in environmental matters is limited and only provides for indirect access to the Court of Justice of the EU. The rules do not allow members of the public, including individuals and non-governmental organisations, to challenge environmental wrongdoing. European laws and decisions have a tremendous impact on millions of Europeans and their environment. To ensure that individuals and CSOs can defend the environment effectively, the institutions must grant environmental rights.

Rather than giving more power to the people, many governments, including in the EU, have imposed unnecessary and disproportionate restrictions on the right to protest, to free speech and freedom of association or access to information. These are fundamental rights that enable all civil society actors to participate in decision-making in environmental matters to defend our climate and biodiversity. All European institutions must protect environmental rights and civic space, including freedom of association, right to protest, freedom of expression and information and the right to privacy.

Another aspect of guaranteeing environmental justice is to address the fact that certain groups in society are disproportionately affected by environmental burdens. Low-income groups, often racialised communities, more often suffer from negative health impacts from air pollution. Roma communities in many member states lack access to clean water, sanitation, waste collection and other basic environmental services. Many environmental and climate policies remain blind to gender equality considerations, such as those addressing energy poverty, mobility needs or health...
impacts of chemicals. We need all European environmental and climate policies to be based on robust analysis of existing inequalities to ensure they deliver on both their environmental objectives and contribute to more equitable societies.

3. Repurposing the economy and supporting green bottom-up initiatives

If we do not change the basic rules of the game on which our current economic system operates, we will neither achieve our environmental nor our social objectives. The objective of our current economic system is to infinitely increase profits (measured as GDP growth). We need to shift to a new economic model that prioritises human wellbeing within the ecological limits of the plant. Building such an economy requires us to address injustices and imbalances in geopolitical power and global trade patterns and how these shape current levels of wealth. And it requires defining a new purpose for the economy.

Repurposing the economy requires an EU regulatory framework on company law and corporate governance that obliges companies to focus on long-term sustainable value creation rather than short-term financial benefits. The EU must introduce mandatory due diligence for companies to address their adverse impacts on climate change, the environment and human rights throughout their operations and value chains. Directors must be under a duty of care to consider all stakeholders’ interests relevant for long-term sustainability.

Redistributing wealth and power involves creating alternative forms of ownership and operation for companies as well as forms of exchange outside the market. The EU must support small and medium-sized and locally rooted organisations and cooperatives operating on just and sustainable business models such as sharing decision-making power with all stakeholders and following a public purpose rather than maximising private profit. These benefit, for instance, energy cooperatives, urban and community-supported agriculture, sharing economy practices and neighbourhood facilities.

4. Directly regulating harmful and boosting sustainable practices

Direct regulation of pollution has proven to be highly effective. Past successes include the international ban on the production of CFCs which has resulted in the partial restoration of the ozone layer; setting progressive limits on the emissions from industry and vehicles to improve air quality or bans on the use of the most environmentally harmful pesticides that have saved many animal species from extinction and improved human health. While such regulations are under political consideration, affected companies regularly emphasise negative effects on jobs, economy and prices. However, after implementation, these doomsdays have evaporated, and often even create new opportunities.
Direct regulation either takes the form of a full ban of harmful products or processes after a transition period – as with CFCs – or of periodically tightened emission limits – such as the Euro standards for vehicles. Direct regulation is an appropriate way to end the current environmental externalities. Some attractive applications are:

- a moratorium on the exploration of new fossil fuel reserves.
- the phase out of nuclear energy generation.
- the phase out of production processes emitting greenhouse gases for electricity, fuels, steel, chemicals, and cement.
- a ban on the registration of cars and vans with a combustion engine.
- a ban or strict limitation on the use of certain crops for purposes other than food production.
- the phase-out of all unsustainable packaging and full financial producer responsibility for waste management.

Although economic instruments such as taxes and tradable emission permits can be efficient for specific purposes, they are regularly less effective than direct regulation that phases out the most harmful activities. The urgency of environmental degradation is now so great that we need to add more direct regulation to the policy mix, which achieves results without delay. A no-pollution fence should set the borders for the market economy.

Another major advantage of direct regulation is that in many cases it does not require government subsidies. Governments will be short in money once the corona-debts have to be repaid. Subsidising green alternatives to polluting technologies and activities, instead of making them the norm, can be ineffective and inefficient. Banning fossil energy rather than subsidising renewable energy sources, for instance, is likely to be more efficient.

5. No compensation for stranded assets

Industries using fossil-based technologies are confronted with capital loss. The declining value of stocks and early write-off from factories, infrastructures and intellectual property are unavoidable. This prospect of capital loss forms a major driver for industries to lobby for less strict regulation and to postpone the date of implementation. Companies also frequently ask for financial compensation in exchange for giving up their resistance to tighter environmental policies. However, this is not where taxpayers’ money should be spent. For decades, different sectors have been aware that global warming must be stopped and pollution reduced. They decided knowingly about their investments. Compensating industries for capital loss would give a wrong signal for the future as companies and banks would continue to invest in fossil-based assets with government money for stranded assets slowing down the change.

6. Putting in place policies with impact before cost parity
Many environmental studies and policies focus too much on cost parity for clean technologies, that is, **sustainable alternatives are only deployed at scale where they are not more costly than polluting ones**. Estimates are made of the years it will take until green becomes cheaper than dirty, and the implicit assumption is that thereafter the market will take care of fast deployment. This argument has several critical flaws. First, it slows down the transition, because we must wait until cost parity is achieved and the expected date even tends to move backward in time. Second, there is no guarantee that the market will take up the clean technologies immediately after cost parity is achieved. Third, accepting cost parity implies that we do not accept cost increases for polluting activities. Fourthly, the economics underpinning these cost comparisons mostly neglect externalised costs such as damages from climate impacts attributed to fossil fuels and therefore start off from an unequal playing field. This reduces the value of nature to close to zero and is at odds with the polluter pays principle.

The new policy framework must put the **priority on effectiveness**. We need policy measures that deliver fast and with great certainty the required reductions in emissions and pollution and the protection of our biodiversity. Numerous pilot projects have demonstrated what works and it is time now to apply them on a large scale. We need results and we need them now.

### 7. Putting a price on pollution

Replacing cost parity with effectiveness implies that we accept that **polluting activities become more expensive**. The polluter-pays principle, although enshrined in the EU Treaties, is not fully applied in the EU and needs strengthening to make harmful activities more costly. This will partly be temporary because the new technologies and processes will become cheaper over time, once they are applied on a large scale. However, some products will remain more expensive than their polluting predecessors: aviation, chemicals or metals for instance. If making these products sustainable comes at a higher cost, we accept this consequence.

Part of the initial cost increases will be avoided by becoming more efficient and using less: better insulation of buildings, energy-efficient appliances and operations, recycling of materials or efficient logistics. The remaining cost increase for consumers will lead to a change in consumption pattern. Fewer purchases with a large environmental footprint and more spending on clean products and services such as less holidays per plane or less meat consumption.

### 8. Empowering low-income households

Households are already and will be confronted with higher prices for energy, food and mobility. This is only acceptable when low-income households are financially compensated and supported in their efforts to reduce their ecological footprint. They should not pay the price for the green transition. The 50% of Europeans with the lowest incomes are close to achieving their maximum carbon
budget for 2030 in line with the Paris agreement, while the top 10% still need to reduce their carbon footprint by two-thirds. The wealthier people must pay a higher share of the costs of the transition, also in support of the poorer communities. We need to ensure that **everyone can cope with the unavoidable changes and social costs incurred by the green transition.** All measures must be developed and adopted, implemented and monitored in **participation with all relevant stakeholders**, including workers and low-income groups, women, youth, minorities and other affected groups. Not doing so, would be both unfair and will deteriorate public support for necessary changes.

Support to low-income groups needs to be financial – through lower taxes on small incomes and better social security – and not by sparing them from environmental regulations. The Social Climate Fund proposed by the European Commission in its Fit-for-55 package is a recognition of the need to compensate low-income households. However, it only aims at temporary support and does not tackle the root cause of inequalities. What we need are **adequate minimum wages** across the region, the **end of social dumping** and of **precarious working conditions** combined with **strong social protections** across the EU to make sure that all people can play their role in the green transition without being left behind.

The government revenues required for the compensation and empowerment of low-income households can come from stopping all subsidies on fossil industries, increasing taxes such as on aviation and luxuries, pricing pollution, ending the tax deduction for lobbying and advertising or international agreements to reduce tax avoidance. These desirable fiscal changes generate revenue to support low-income households and lower the tax burden on labour to make schools, care, repair and other labour-intensive activities more affordable.

**9. Shaping the future of work**

With the green transition accelerating, **new jobs will be created.** The full implementation of the Paris Agreement can create more than one million additional jobs in the EU alone by 2030. While there will be job losses in the fossil, automotive and other carbon-intensive industries, these will be more than compensated by the creation of new jobs in sectors including construction and renovation, waste management, energy, transport and sustainable finance. Currently, two times more people work in renewable energy than in the fossil energy industries.

Although the green transition will increase total employment, there will be a **mismatch between old and new jobs both in location and skills.** This will affect, for instance, most of the 0.4 million Europeans directly employed in the fossil industries or part of the 2.9 million workers at suppliers in the automotive sector. Many employees in the car industry will shift to producing and maintaining electric vehicles. The total number of jobs in the European Union lies around 190 million, showing that only a few percent of European employment will be directly affected by the
green transition. Workers who lose their jobs must be supported by government programmes to assist them to relocate and to reskill and to avoid shortages of employees in the renewable energy industries. Emergency mechanisms and social protection will be key to deal with future crises and increase the resilience of our societies.

The **EUs labour market is still highly gender-segregated**. For example, only 32% of the people employed in the renewable energy sector are women. The numbers in other high-carbon sectors such as transport, construction or fossil fuels are even worse. At the same time, around 76% of the care and health sector staff are female. We must broaden our understanding of the sustainable jobs of the future beyond transport, energy and construction and include sectors that contribute to the overall wellbeing and resilience of our societies.

At the same time, a **green transition also means to rethink work altogether**. Our current economic system and labour market is structurally dependent on infinite economic growth. An alternative economic system focuses on ensuring meaningful and decent jobs that are necessary for the functioning and flourishing of our societies.

10. Education for sustainability

Education and lifelong learning are key enablers for the achievement of environmental and social justice goals. The education and environment sectors need to work together in the delivery of quality climate change education though formal, non-formal and informal learning. **Mainstreaming education for sustainability across education systems in Europe** requires changes in curricula, pedagogies, learning environments, teacher training and professional development. The aim should be to acquire skills and knowledge to live in tune with our planet and to exercise critical thinking. Education and training programmes must include **climate and environmental literacy, sustainable lifestyles, understanding of human-nature interdependencies and collective action for change**. In professional training and higher education, sustainability education, environmental and climate literacy need to be mainstreamed across all disciplines including in business school and economics departments, in law schools and public administration courses to ensure the economic and political leadership is well prepared to guide society through the transition.