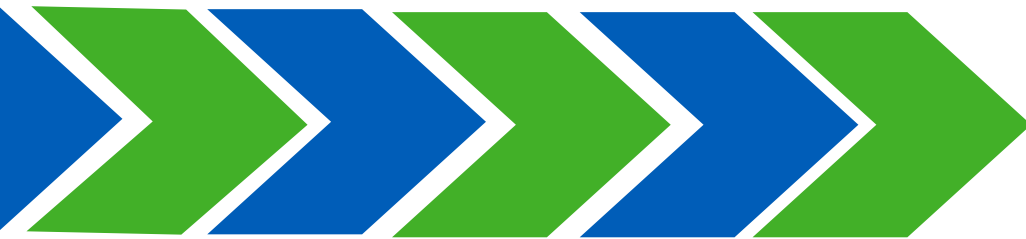




ETF Policy on Climate-Neutral Transport



In this living document we present six key principles that socially sustainable climate policy should be based on:

1. [Modal Shift to environmentally friendly transport modes](#)
2. [Fair investments and infrastructure policy](#)
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Preamble

Europe and the rest of the world are facing a climate emergency. Inaction towards climate change will continue to bring direct and indirect costs to the Europe's economy. Changing weather patterns and extreme weather events will impact jobs and health and safety at work.

Immediate action is therefore needed to prevent a full-blown climate catastrophe. All measures, policies, and action plans need to be created through a transparent and inclusive process, in which trade unions play a crucial role. Climate change, as well as measures aimed at mitigating it, will both have immense effects on the everyday lives of workers.

Transport, being one of the primary CO₂ emitters, is one of the sectors that will be most heavily affected, and transport workers must have a say in how the transition to a greener society is done. The ETF has been highlighting for many years that social issues and environmental concerns are two sides of the same coin. It is consistent with the ETUC's assertion that there is no contradiction between sustainability and the demand for quality jobs for all. Fighting social dumping and climate action is one and the same struggle.

Paradigm shift

At the European Union level, climate policy is one of the priority issues in the current term of the European Commission, with the objective is to make Europe the first climate neutral continent by 2050. In order to reach this target, the Commission announced in December 2019 'the European Green Deal', which aims to achieve major emission reductions in nearly every sector while ensuring climate-neutral development of economy. Also at national level a majority of EU and non-EU countries have ratified the UN Paris Climate Agreement, agreeing to undertake rapid action towards greenhouse gases emissions reduction.

However, current EU and national transport policies are not always aligned with the bold ambitions of the Paris Agreement and the European Green Deal. They are often guided by a push towards liberalisation and privatisation of the sector. In addition, external costs of transport (CO₂ emissions, air pollution, congestion, accidents, land use, noise) are to a large extent not internalised. Such approach is compatible with neither social nor climate objectives. It often creates a race to the bottom regarding pricing and social dumping, as for example experienced in the road transport sector. This in turn can inflate unnecessary transport, it can hinder the modal shift to more climate friendly transport modes, and it can reduce incentives to switch to greener technologies and fuels. It is therefore critical to change this paradigm in order to to achieve sustainability that benefits both climate and workers.

In this living document we present six key principles that socially sustainable climate policy should be based on:



1. Modal shift to environmentally friendly transport modes

1.1. Freight transport

Europe needs multimodal transport chains where the use of greener transport solutions is promoted by the governments and the European Union. Currently, underinvestment and insufficient coordination between different transport, cohesion and funding policies¹ at the European and national levels prevent the industry from benefiting from the modal shift potential.

It is therefore necessary to plan at the European and national levels integrated solutions based on cooperation between transport modes. Carbon-neutral transport solutions have to be systematically included in spatial and urban planning in order to ensure better integration of different transport modes in the logistic chain (i.e. connecting the railway or inland waterways network to industrial sites, warehousing facilities and urban distribution nodes). In order to ensure social and spatial cohesion of the modal shift European Commission and national governments need to take ownership of this process and setup new market rules, without leaving it solely to the market as it is.

Rail and inland waterways connections to seaports and hinterland terminals need to be heavily upgraded in order to enable European Commission's wish to increase short sea shipping activities in Europe. It requires investments not only in infrastructure, but also in professional staff, ensuring additional recruitment of and training for transport workers at railways and in ports). However, it has to be stressed that in certain cases the investments in port capacity increases are dictated by the need to accommodate growing sizes of 'mega vessels'. The OECD research² shows that the fuel consumption efficiency gains decrease above a certain vessel size, and to a large extent they can be attributed to the use of newer, more efficient engines. It is therefore crucial that the policy makers regulate the vessels' dimension in similar way that lorries' or trains' sizes are standardised. Allowing the vessel sizes to expand freely means that only a handful of ports will be able to accommodate them, which tilts the level playing field. In addition, costly investments in port infrastructure, while often financed with public money, will in this case benefit only shipowners. In additions, issues such as high fluctuation of handled cargo, peak-period congestion for road and railway connections impact the efficiency and the environmental

¹ For instance, according to the Court of Auditor's 2018 Landscape Review: 'EU strategies for transport along inland waterways lacked a comprehensive and robust analytical basis, and the cost of eliminating bottlenecks in Europe (around €16 billion) greatly exceeded the available funding from the EU budget for inland waterway infrastructure' (CoA 'Towards a successful transport sector in the EU: challenges to be addressed', p. 35)

² The Impact of Mega-Ships, OECD, 2015 (https://www.itf-oecd.org/sites/default/files/docs/15cspa_mega-ships.pdf)



performance of ports. Otherwise, severe problems of port capacity and port congestion might result in unbearable and unsafe working conditions for port workers as well as seafarers and shippers.

In turn, road transport should still be treated as part of the multimodal freight transport (combined transport), especially in the first and last mile delivery where transportation volumes are growing due to an increase of e-commerce due to the COVID-19 pandemic. It is however crucial to develop and deploy clean technologies, while at the same maintaining high social standards in the sector. Only reaching these two objectives will allow the transition to clean road transport as it will eliminate unfair competition based on social dumping (see also the section on cost sharing).

1.2. Passenger transport

Passenger transport sector has been severely hit by the COVID-19 pandemic, not only by movement limitations introduced by the governments, but also customers' anxiety concerning the use of collective transport.

After years of growth, civil aviation has come to a nearly complete halt. Although the sector contributed to improved connectivity in Europe, its carbon emissions have been on the rise for years. The pandemic might be paradoxically an opportunity to rethink its future. As the aviation's growth in Europe was to a large extent enabled by social dumping of low-cost airlines and inefficient state aid for the airports serving such carriers, these practices must be ended. Together with the development of sustainable fuels and internalisation of external costs (see also section 3. on cost sharing) it will facilitate the transition of air travelling to a sustainable level.

In order to accomplish climate transition it will be also critical to strengthen climate-friendly and in perspective climate-neutral modes of passenger transport. Urban public transport and railways need an adequate financing that will on the one hand support them during the economic downturn, and on the other will ensure safe environment for passengers and workers.

In addition, high-speed train connections shall be developed in order to become an alternative to aviation for short and medium distance passenger travel within Europe. An European night train network should be reactivated for long distance passenger transport, since more and more people want to travel in an environmentally conscious, sustainable and comfortable way.

The density of the European railway network has to improve together with last-mile connections (especially in rural areas) and integrated ticketing to the convenience of commuters. Multimodal transport with rail and public transport being the backbone of the system needs to be further improved.

At the same time, European Commission and national governments should refrain from further deregulation of the bus and coach sector, as the practice shows that it does not fulfil the goal of moving people from private cars to organised transport. On the contrary, it impacts negatively on drivers' working condition and pay.



Finally, with regard to public transport in urban areas, it has to be underlined that ride hailing platforms should not be considered as its substitute. According to several studies the use of such services can in fact lead to an increase in congestion in cities. As the average external costs of railways and buses/coaches are significantly lower than for passenger cars, it is of a crucial importance to have a dedicated funding in order to boost urban public transport. In certain situations where ride hailing services could complement urban public transport (low density areas, night time), drivers shall be covered by the labour and social security legislation.

Regional infrastructure and spatial planning should be therefore improved to increase the use of public transport. Sustainable urban mobility plans should be designed with the active involvement of citizens and stakeholders. Finally, public transport network must be enhanced both in cities and outskirts and rural areas.



2. Fair investments and infrastructure policy

As it has been mentioned in the previous section, the modal shift requires substantial funds to finance the required infrastructure, e.g. passenger and freight railways, resilient inland waterways, hinterland connections to sea and inland waterways ports, sustainable urban public transport. It is also crucial to keep in mind that there are parts of Europe that still suffer from insufficient infrastructure to cope with the transition to sustainable transport. It is therefore essential that the European and national funds support not only development of big, transnational networks, but also encourage development of local infrastructure as well as cross-border infrastructure that allows for connected transport solutions.

While at the EU level European Commission announced its plans to create the ‘Sustainable Europe Investment Plan’ that is supposed to trigger €1 trillion of climate-related investment over the next decade, it is important to stress that the investments in transport infrastructure and research that are funded or co-funded with public money should have both climate and social sustainability criteria as a must. They must be focused on solutions that minimise the impact of transport on climate while improving working conditions and safety, both for transport workers and passengers. Similar approach should be adopted when financing projects from national budgets.

Moreover, ‘green’ transport is often mentioned together with ‘smart solutions’, which include digitalisation and automation. Indeed, new technologies can help transition towards climate-neutral transport by removing dependency on fossil fuels and increasing efficiency. However, automation and digitalisation should not be treated as a default choice on a way to the climate neutral transport. The selection of technology should be based on the human and society-centred approach and with the needed regulation in order to manage the market in the right direction.

Additionally, as the COVID-19 pandemic created the economic upheaval, it pushed the EU and the national governments to allocate substantial public funding to aid the recovery. This funding should not be however used to bring us back to ‘old normal’, but it should answer also climate and social challenges. Otherwise, the future generations of Europeans will have



to bear not only with the costs of post-COVID-19 recovery, but also the disastrous effects of climate change and broken societies.

3. Cost sharing

Setting policies aimed at promoting a fair price of transport will be essential for enabling a just climate transition. This should be done through internalising costs in all transport modes based on the ‘polluter-pays’ principle, while taking into account specificities of each sector. At the same time, it has to be ensured that this will not cause a pressure to reduce the workers’ wages. On the contrary, fair pricing should also cover decent wages and other social costs. This principle would for example allow to restore balance in road transport, which currently has in Europe an unrivalled position and is a big CO₂ emitter. Paradoxically, the sector is experiencing shortages of workers due to bad working conditions. Improving them for example by appropriate and decent balance between working and rest time would eliminate ‘bad jobs’, but also encourage modal shift.

Furthermore, fairer and innovative fiscal policies should be designed to help in the economic, social and ecological transition. Potential additional revenue from these measures should be earmarked for investments in social climate transition. At the European level, the planned recast of the Energy Taxation Directive will be an opportunity to consider internalising costs and put in place more effective fiscal incentives rewarding the use of greener technologies. It will be crucial to introduce harmonised rates across the EU in order to ensure level playing field among the Member States.

4. Skills and training

Greener, reliable and safe transport in Europe cannot do without investment in the human resources. As the transition towards a low-carbon economy raises the need for new skill profiles and lowers the demand for other, training, re-skilling and upskilling programmes will be needed to prepare young workers for their future jobs and accompany older ones through the ongoing changes.

On the one hand, young people should have access to education and vocational training that is adjusted to the needs of the emerging climate-neutral transport. Such programmes should encourage participation of women transport workers. On the other hand, current transport workers need to have adequate training and upskilling courses made available to them free of charge and during working hours.

If the modal shift is to become reality, employment in certain transport sectors will have to grow significantly, even if certain operations become automated. The attractiveness of work in sectors such as rail has to be increased instead of ongoing deterioration of working conditions and increasing precarisation. In order to ensure workforce sufficient to manage increased transport volumes these issues must be addressed.



Additionally, it is important to avoid situation where due to the modal shift jobs and working/living conditions move from the European standards (road) to lower international minimum standards (shipping). Not taking into account this consideration would be a missed opportunity to create more and better employment, training and career opportunities for EU domiciled seafarers.

Finally, in case of inevitable job losses due to transition, re-skilling programmes should be put in place, as explained further in the section ‘Just transition and climate action governance’.

5. Health and safety

Climate change has also strong implications in terms of health and safety at work. Extreme temperatures or intense natural hazards pose not only life threat, but also keep people from performing their jobs or reaching their workplace. At the EU level, the planned review of the EU Strategy for Adaptation to Climate Change should include strong occupational health and safety (OHS) dimension. At national level, the governments should adopt and implement action plans that are aimed at increasing climate resilience.

Adoption of coherent adaptation strategies should happen also at the workplace level. Initiatives such as changing working patterns or introducing emergency procedures in case of extreme conditions should be addressed through social dialogue and collective bargaining.

It will be also important to make sure that the new infrastructure and vehicles is climate-change resistant and the workers are permitted to use it (e.g. drivers should not be discouraged from using air conditioning in buses, even if it increases fuel consumption). Hence, any EU or national funding for an infrastructure project should also take into account its climate resilience, also in the context of OHS.

6. Just transition and climate action governance

Trade unions representing transport workers have the unique knowledge of the sector, basing on the wealth of experience of their members. This is why they should (must?) be fully involved in the transition process. The EU and national climate and transport policies should follow the assumption that social impact of taken measures must be minimised. Climate policies for transport should therefore include *ex-ante* social impact assessment for each transport sector. These policies should be created in close consultation with the EU and national social partners from all different transport sectors.

Although at the EU level the European Commission’s proposal for the European Climate Law and the European Climate Pact mentions the role of civil society and just transition, it should attribute more weight to them. At the national and sectoral level trade unions should be formally and effectively involved at all stages of policy making, whereas at the company level workers’ representatives should be consulted before any investment in climate-neutral technology is approved.

In addition, as mentioned above, public funds should be allocated for measures such as reskilling, training and earlier retirement schemes for those affected by automation that



will support the transport workers in the climate transition. Social partners from different transport sectors should be involved in designing such schemes at the national, sectoral or local level.

At EU level, as the European Commission's proposal for the Just Transition Fund unfortunately does not cover transport sector, the resources should be specifically foreseen via other EU instruments, for example the European Globalisation Adjustment Fund or European Social Fund. Sufficient funds at EU level must be provided for a just transition in the transport sector.