



Counter the Climate Crisis with Investment and Technological Innovation

A summary of the Swedish LO views and
proposed action

Department of Economic and Labour Market Policy



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Global

The LO gives it its full support to international climate initiatives aimed at reducing emissions of greenhouse gases and other forms of human climate impact with a view to achieving the objective of limiting the global rise in temperature to 2°C.

The LO considers that a social dimension should be developed in the global climate process. Countries should commit to implementing both preventive and proactive measures in socially-acceptable forms. In support of this, Sweden should work to strengthen the international trade union movement's position in the negotiations.

The LO considers that Sweden can implement a staged increase in its participation in international climate projects in the Third World (Clean Development Mechanism, CDM). Sweden should work to strengthen the current UN system for the certification of CDM projects to ensure a reduction in emissions and the spread of technological advances, but these projects should also promote social equalisation and alleviate poverty. Such requirements should already be put into effect in the projects in which Sweden is active.

The EU and the Nordic countries

The LO sees the goals the EU has adopted for a 20% reduction in greenhouse gas emissions, a 20% improvement in energy use efficiency and 20% renewable energy by 2020 compared with 1990 as a necessary foundation for further advances in initiatives within the EU. At the same time, the higher ambition of a 30% reduction in emissions should, as a matter of urgency, be realised through international cooperation. The LO wishes to guarantee the implementation of these objectives through a detailed follow-up of member states' initiatives.

The LO considers that the EU's trading system should be intensified by the staged introduction of emissions rights auctions, providing that exceptions are made for energy-intensive industries to the extent that competitive countries have not imposed any such requirements. The remaining unrestricted allocation of emissions rights should prioritise energy-efficient installations. The EU and Sweden should promote a global trading system and avoid carbon dioxide tariffs in consideration of the risk of increased protectionism.

The LO considers that the EU should have as a long-term goal a European internal market in electricity. However, such a market requires all member countries to take considerably more responsibility for climate-friendly electricity production. In the EU Sweden should promote member countries becoming self-supporting in carbon dioxide-free electricity as far as possible.

The LO wishes to see the implementation of political measures to promote genuine price competition in the electricity market in the Nordic countries to encourage the replacement of expensive fossil fuel energy with cheap carbon dioxide-free electricity generation. This requires an increase in generation to produce a sustainable surplus, while also introducing a common Nordic supervisory apparatus to improve the monitoring of the electricity market.

Sweden

The LO considers that Sweden's principal strategy to counter the climate crisis should focus on active investment policies directed at both energy efficiency improvement and a carbon dioxide-free energy supply. This involves major investment programmes in which the public sector and the business world co-operate on measures to introduce fossil fuel-free technology in industry, transport, housing and energy supply. The climate change process can contribute in some measure to recovery from the economic crisis, and the investments will make a significant contribution to reducing climate impact.

The LO notes the continuing need for a long-term cross-party political agreement on energy and climate policy. This agreement should be based on a scientific and jointly-produced description of the reality of future energy requirements, efficiency improvement options and the need for new electric power and other energy generation. The LO considers that this co-operation should be begun without delay so that long-term guidelines can be established to benefit production and employment.

It is the LO's view that current measures to improve energy efficiency are inadequate. In addition to information and technology procurement, more emphasis on investments is needed. The government should introduce subsidies to encourage such investment. Government investment support should be re-introduced to facilitate the introduction of new energy-efficient and climate-friendly technology in different sectors. Extensive investments are also needed to build a more efficient and robust power grid.

The LO considers that as far as possible electricity generation should be fossil-free, achieved through substantial investments in, among other things, wind power, wave power, solar power and bio-based power and heating installations, to be implemented with the support of an expanded electric power certification system.

The LO considers that if investments in efficiency improvements and renewable electricity generation fail to meet the requirements for the reliable delivery of an adequate electricity supply, in light of the climate problems and the imminent closure of aging nuclear power stations investments in new nuclear power facilities should not be eliminated.

Sectoral measures in Sweden

The LO considers that a co-ordinated programme for renovation, energy conservation and social regeneration should be implemented in Sweden's Million Homes Programme housing development areas and other apartment housing areas in cooperation with the Government, local authorities and the construction sector. The Government should introduce short-term subsidies to promote this initiative. Targeted support for both insulation improvement and

improved technical systems (HVAC, solar cells etc.) should be made possible within the framework of revived government investment support for the introduction of new technology.

The LO notes that the Energy Efficiency Programme in industry has been successful, and should extend to include all industry and commerce, an objective which requires control measures for companies with low energy costs, such as limited tax deductions or free energy advisory services. Conversion from fossil fuels and input goods should be stimulated via energy consultation, technology procurement and government research and development. Corresponding programmes for energy efficiency improvement should be introduced in public sector activities.

The LO considers that an extended and long-term research and development programme for the introduction of electric vehicles should be brought forward in close cooperation between the government, research institutes, the automobile industry and the power industry. In the short term, temporary stimulus measures are required to upgrade the vehicles in Sweden.

The LO considers a high level of new investment in the rail system should be secured as part of an expanded planning framework for infrastructure 2010-2021, this to include both goods and passenger rail traffic. Substantial investment is needed in vehicles, terminuses and technical systems for both existing and future public transport traffic.

The LO considers that emissions from goods transportation can be reduced through improved vehicle technology and more investments in intermodal traffic (the integration of different modes of transportation) based on a coordinated system of transport routes and more advanced reloading terminals. Measures are required to induce transport buyers to seek more climate-friendly and sustainable modes of heavy transport.

The LO considers that a plan of action is needed to provide knowledge and management controls which combine the development of agricultural and food production with a reduced climate impact.

The LO considers that the competitively neutral use of biomass from the forestry and agricultural sector must be secured between industrial and energy interests to avoid the exhaustion of industrial raw materials through combustion. Both the effect level and energy efficiency suggest that biomass used for energy purposes should go to an expanded power and heating sector rather than for use as fuel for vehicles. However, the possibilities of a wider use of biogas for heavy transport should be examined in more detail. The future use of biomass as bioenergy and carbon sinks should be the subject of further investigation from the long-term climate viewpoint.

Management Control Measures

The LO considers that an investment-controlled climate policy requires some transformational pressure in the form of sustained high levels of taxation on energy and carbon dioxide. To combine positive environmental effects with competitively neutral taxation, Sweden's energy and environmental taxes must be approximately equivalent to those in other countries. The LO also considers the scope for higher environmental taxation to be severely limited during the current financial crisis.

The LO considers that better-organised cooperation between players in agreements and commitments among government agencies, enterprises, research institutes and other interests should be developed as management control methods in climate and energy policy.

The LO advocates a more proactive public procurement of climate-friendly products and technologies. Advisory services and procurement competence should be developed. Technology procurement and the associated dissemination of knowledge should be applied more systematically through initiatives from government agencies in collaboration with the relevant interests in industry and commerce.

The LO calls for a general reinforcement of Swedish energy and climate research. A better co-ordinated infrastructure for the advance of technology in the fields of environment and energy should be developed with regard to resources, enterprise collaboration, marketing, export and access to venture capital. The Government should guarantee an increase in research and development appropriations in this area. Power companies should be encouraged to increase their research and development appropriations and their investments in new energy generation technologies in Sweden.

The LO considers that planning instruments such as the Planning and Building Act should be actively applied to combine socially-beneficial urban planning with the effective use of resources and energy in the areas of housing and transport.

The LO considers that energy advisory services for more efficient energy use and reduced emissions of greenhouse gases should be expanded, and should target both enterprises and households. Some form of climate labelling related to existing environmental labelling in the Nordic countries should be considered.

Working Life

The LO considers that employer and employee organisations should join forces in stimulating activities to bring about a more climate-friendly and energy-efficient world of work, both through training and work organisation activities and also by supporting employee commitments to innovations at work, directed, inter alia, at the fields of climate and energy.



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