



Carbon pricing and Just Transition

ITUC, ETUC and the Just Transition Centre

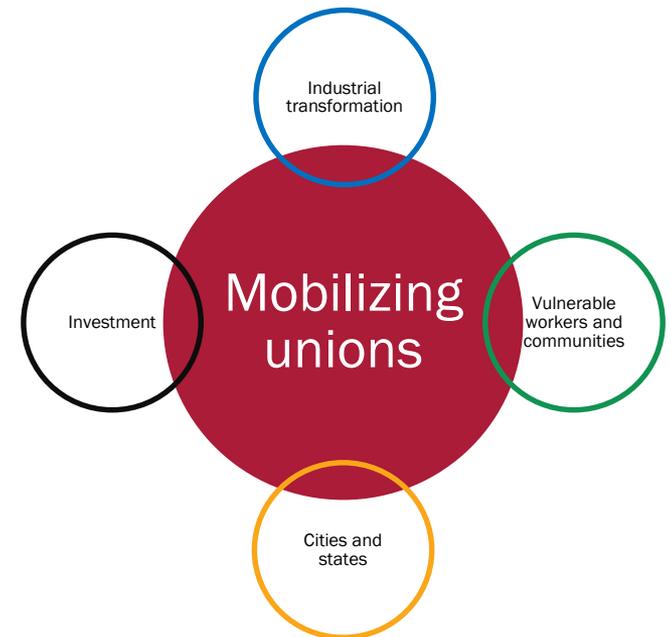
The International Trade Union Confederation represents more than 200 million workers worldwide in 162 countries.

The European Trade Union Confederation represents working people in EU-decision making and across the region.

The Centre was established by the ITUC and ETUC in 2016. It supports unions and their allies in getting concrete plans for Just Transition.

The Centre helps to get good, concrete plans for Just Transition at different levels: Company and sector; city and state; national; and with investors.

Good plans for Just Transition improve the material conditions of workers and bring down emissions and/or build resilience.



What is a Just Transition?

A sector, region or economy-wide process that produces the plans, policies and investments so that:

- Everyone has social protection;
- All jobs are decent;
- Emissions are low or at zero;
- Poverty is eliminated; and
- Communities are thriving and resilient.

Just Transition includes both measures to reduce the impact of job and livelihood losses and industry phase-out on workers and communities, and measures to produce new, low emissions and decent jobs and livelihoods as well as healthy communities.

Just Transition is based on social dialogue between workers and employers, often governments, and sometimes communities.

It's defined in the UN International Labor Organization's global Just Transition guidelines.

It's a key requirement of the Paris Agreement on climate change and is reflected in the Sustainable Development Goals.

Principles for carbon pricing

Carbon pricing is one part of an overall package of measures that must ensure a Just Transition, social cohesion, and rapid action on climate.

The most important part of this package is immediate, scaled up government investment in climate friendly infrastructure and technologies. This is particularly important for sectors such as heating and transport.

Carbon pricing can help to achieve climate goals. However, it's not enough by itself. Fair tax, investment, targets, and socially redistributive measures are needed to ensure a Just Transition.

Sector agreements with trade unions need to be in place to ensure a) meeting climate targets, and b) avoiding carbon leakage.

Carbon pricing that directly affects household consumption – heating and transport - can only work if alternatives for cleaner options already exist and are affordable. Otherwise, it is just regressive.

Most important - massive scaling up of public and private investments in climate friendly infrastructure and technologies.

Carbon pricing is a useful tool but by itself not enough to ensure just outcomes, replace government regulation, or pay for the investment that's needed.

Fair tax is key. Those with more ability to pay should pay more. Poor and working class families should pay less or receive subsidies for transition.