

EESC Sustainable Development Observatory Event

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Setting the scene: global trends, shocks and tensions

- Financial crisis 2008-2009: economic and social challenges in the aftermath, austerity policies
- Environment: increased frequency of environmental and climate-related disasters
- Politics: Swings in geopolitical scene, polarization and rise of extreme politics threatening democracies and values
- Demography: ageing populations, shrinking workforce with declining birth rates, skill and labor shortages
- Public health: the Covid-19 pandemic and public health crisis with ramifications in many domains; disruptions in global supply chains
- Ongoing war in Ukraine: human disaster, refugee flows; energy dependence

Climate change

- Developments of a systemic nature such as climate change and environmental degradation pose challenges to various policy areas
- Disruptive impacts of climate emergency on many aspects of our lives:
 - Risks of food crisis
 - Threats to coastal areas and infrastructures
 - Risks to human and animal health
 - Loss of biodiversity reduction in global availability of critical assets,
 - Disruptions on production chains
 - Effects on energy sustainability
- A safe zone between planetary boundaries and social foundation?
(Raworth's doughnut concept)



European Green Deal

- An ambitious plan to mitigate and adapt against climate emergency
 - 55% reduction in emissions by 2030 and aiming for carbon neutrality by 2050
 - Decoupling economic growth from resource use
 - Preserving biodiversity
- When implemented fully: rethinking existing economic processes to reduce carbon intensity, ecological footprint and increase deployment of cleaner energy sources
 - Significant changes in production and consumption patterns
 - Impacting sectors heavily dependent on fossil fuels
 - Reduction of wasteful products & increase circular economy actions
- But also: changing availability of critical raw materials
- Unequal and severe distributional effects during green transition
 - Exacerbating socioeconomic inequalities
 - Importance of just and fair transition

Open strategic autonomy (OSA)?

- Old concept from military and security domain
- Renewed interest: put forward as part of the EU recovery strategy from the recent pandemic (cf. NextGenEU)
 - An extended notion that also covers social and environmental dimensions
- Recent geopolitical developments has elevated the OSA in the political discourse
- The EU is highly dependent on imports in some key sectors
 - Energy, semiconductor, raw materials
 - But the EU also has comparative advantages in certain areas (e.g. high value-added industries)
- Interconnectedness and globalization:
 - Stretched & fragile supply chains, with domino effects in case of disruptions



Perspectives for future

- Ensure a just transition towards a net zero-carbon future
 - More inclusive & comprehensive approach to just transition is necessary
 - Further funds than currently available will be needed
- Enhancing the EU's open strategic autonomy with implications for the EU and beyond
 - Ensure resilience of supply chains: reshoring critical production lines? Diversification?
 - Scaling up investment in strategic sectors (e.g. batteries, chips), technologies (e.g. hydrogen) and key infrastructure (e.g. railroad)
 - European standards to reflect highest ethical, labor and environmental standards in line with the objectives of SDGs and EGD in the international arena
- Articulate reforms that would reflect and be jointly compatible with
 - Environmental sustainability
 - Social resilience
 - Advancing the EU's open strategic autonomy
- Importance of coherence and coordination of different policy domains
 - Feedback loops



Thank you for your attention!

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