

What's Next for the EU's Green Agenda?

Article by Chiara Martinelli

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With a crucial EU election only a few months away, Europe's green agenda seems to have run out of steam. In this week's State of the Union address, the last one under her current term in office, Ursula von der Leyen has the opportunity to relaunch the continent's climate ambitions. Here's what she should not forget.

It's not just another start of the school year. We come from an unprecedented, tumultuous past few months. Over one-fifth of the people in the EU continued to be at risk of poverty or social exclusion in 2022, energy poverty is on the rise, and high corporate-led inflation has been eroding people's purchasing power – with more severe impacts in Central and Eastern Europe. Russia's war in Ukraine is reinforcing these trends, and causing immense suffering and environmental damage.

Meanwhile, climate change-fueled droughts, wildfires, flooding and heatwaves have hit the continent this summer, harming its people, livelihoods, infrastructure and biodiversity. No matter where we find ourselves in the political spectrum, climate, energy and environmental crises are adversely impacting every aspect of our lives, from food price increases to destruction of life and infrastructure; from lower productivity and premature mortality to massive pressure on health systems; from water scarcity to the undermining of entire sectors of the economy.

But these dreadful events don't come out of nowhere. There are many things policy-makers can and should do, and citizens with their votes and pressure can shape the future and hold governments accountable. Despite recent elections in several European countries showing a worrying backlash against social and environmental measures, all is not lost. The EU polls in 2024 will profoundly shape the lives of people in the EU and beyond.

For all these reasons, Ursula von der Leyen's State of the Union address this week won't just be another speech. While her Commission can be proud of its unprecedented achievements for a greener future under the European Green Deal, much more needs to be done to build a sustainable economy based on a better sharing of wealth and limited natural resources, compatible with planetary boundaries and leaving no one behind.

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In the coming months, politicians must acknowledge the imperative to deeply transform the economy to face the challenges of today and tomorrow. This transformation needs to be built with the people and for the people through robust democratic and participatory pathways. Von der Leyen's handover notes should therefore point towards a bold climate agenda, addressing key policies that should be at the core of the debate for the upcoming election, and hopefully at the top of the next Commission's priorities.

Votes and political courage

First, rather than seeking to preserve the illusion of sovereign tax power, member states should shift from unanimous to qualified majority voting in the European Council to end the race to the bottom on taxation matters. The EU should make sure companies' excess profits are taxed (especially fossil fuel companies), impose wealth taxes on billionaires (who happen to pollute most) across the EU, and close tax havens. Without these resources, inequality will keep rising and funding the transition away from fossil fuels will not be possible. But this is not enough: it is time to consider additional options, such as a frequent flyers levy – so that people taking many flights every year – i.e. the wealthiest and biggest polluters – pay a commensurate tax. An ambitious financial transaction tax would also hit the richest and reduce damaging speculation on the financial markets. Such additional resources would notably help make sure local authorities have the resources they need to engage and accompany workers and citizens in the changes ahead.

Second, the EU should remove the red carpet for a fossil gas exit. While progress has been made on coal phase-out, the next priority must be a well-structured, EU-wide plan to progressively shift away from fossil gas by 2035, which was the main driver of soaring energy prices last year. The transition towards renewables will strengthen energy security, and protect Europeans from energy poverty. New installations of solar and wind energy have already saved consumers €100bn since 2021 – the benefits are undeniable. But a socially just phase-out requires cutting fossil fuel interests out of politics and ending polluting subsidies in a socially just manner. The EU must stop the expansion of fossil gas pipelines and manage the decommissioning of infrastructure that is no longer needed.

A just transition also entails listening to the calls from countries in the Global South. Politicians should commit to a fairer global financial and trade architecture by reforming the IMF and the World Bank, adopting fairer global taxation rules, cancelling the debt of developing countries most exposed to climate change, and reforming the rules of global trade. This is necessary to ensure countries in the Global South have the means to protect their people against climate change and transform their economies in compliance with the Paris Agreement. Climate change and inequality are global challenges that require concerted responses. The EU should engage collaboratively in international discussions such as COP28 and the Africa Climate Summit to end the era of fossil fuels, set up compensation mechanisms for losses and damages due to climate change, and take measures to mitigate and adapt to global warming.

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Effective climate action also requires changes in our production and consumption habits. This primarily means reducing energy waste, particularly through inefficient buildings, but also restricting luxury consumption through regulation, pricing and taxation. The EU must address programmed obsolescence, and reduce overproduction and overconsumption. Products need to be designed with repair, reuse and recycling in mind. Such a circular economy would generate opportunities for workers in sectors that will have to progressively shrink or disappear.

To achieve a sustainable economy, high social and environmental standards should be a prerequisite for public support to the private sector, especially large corporations. Gender equality, workers' participation, and a ban on dividend payments for companies that get public subsidies are good starting

points. Moreover, subsidies should only be granted to sectors and activities that do not harm climate and environment, and should be tied to tangible emissions cuts, a reduction in resource consumption, and circular economy outcomes.

Climate inaction, scapegoating, lies, and isolationism are easy diversions from the existential threats we are facing. Blaming Brussels is easy too. But it disregards the fact that every EU law is the result of a delicate compromise between the political forces represented in the elected EU Parliament and national governments. Cooperation, listening, finding consensus across different political and geographic sensitivities – that's what the EU is about. And this's what makes EU elections so important.

The measures listed above should be the centre of any platform for Europe that takes the climate emergency seriously, whatever the political colour. The tangible threat of climate change can translate into eco-anxiety, paralysis and inward-looking attitudes. But the current context must also serve as a wake-up call to avoid that people already struggling to make ends meet see their quality of life deteriorate further. It is possible to meet everyone's needs and rights while respecting planetary boundaries. In the coming months, civil society organisations in Europe will press political leaders, listen to the people and trust the power of mobilisation and campaign to remind EU citizens how deeply the upcoming elections will affect their present and future. Votes from citizens, courage from politicians: this is the recipe to improve the wellbeing of people, and protect the health of the planet.

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