



Just transition in icelandic context

33rd congress of LÍV

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Just transition in a nutshell

Maximize

economic, social and
environmental benefits
of climate change and
technological
development

AND

minimize negative
effects on workers
and the public

What kind of justice?

- **Procedural Justice:** Participation of the labor movement in the systematic changes, consultation with workers and the public -> "Nothing about us without us!"
- **Distributive Justice:** Sharing the costs and benefits of transition in a fair and equitable manner – investment, income transfers, actions, policy → who benefits from the societal changes and who loses?
- **Recognition Justice:** Recognizing the inequalities and injustices of the current social, cultural, economic and political structure and that the changes may promote further inequalities -> Who has benefitted from past inequalities and overexploitation of natural resources?
- **Restorative justice:** Redressing the damage caused by past and present inequalities and preventing further damage for future generations.

What does just transition include?

That the opportunities and burdens inherent in the social changes caused of climate change and technological development will be distributed in a fair and equitably way



- The changes ahead create an opportunity to rethink and redefine the social structure.
- Just transition counteracts existing social and economic inequalities and creates opportunities to achieve social goals.

A photograph of a woman with curly hair and a blue face mask holding a black signpost. The sign is light blue with the words 'JUST TRANSITION NOW' written in large, black, hand-drawn letters. The background is a blurred crowd of people at what appears to be a protest or demonstration in an urban setting.

JUST TRANSITION NOW

Manifestations of inequality in relation to climate change



- The origin of or reasons for climate change
- Effects of climate change
- Actions to combat climate change
- Adaptation to climate change

Technological change and just transition

Technological development can accelerate the transition and have a positive effect, increasing efficiency and productivity

Who reaps the benefits of technological development?

Technological development can increase inequality and weaken workers rights and bargaining power

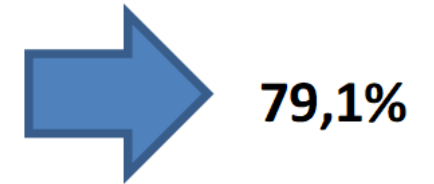
The impact of climate change on the labor market

- The impact of climate change on jobs and labor market is unclear.
- No coal mines that need to be closed in Iceland.
- Jobs based on the use of natural resources and ecosystems in the greatest danger.
- Technological development and the fourth industrial revolution are still a bigger influence on the development of jobs in Iceland than climate change.



The impact of climate change on the labor market

Atvinnugrein	Losun 2020	Losun 2018
C24 - Framleiðsla málma	33,5%	24,5%
A - Landbúnaður, skógrækt og fiskveiðar	19,7%	14,5%
H - Flutningar og geymsla (flug að mestu)	19,6%	40,1%
E - Vatnsveita, fráveita, meðhöndlun úrgangs og afmengun	3,3%	3,5%
F - Byggingastarfsemi og mannvirkjagerð	2,6%	2,5%
D - Rafmagns-, gas- og hitaveitur	2,5%	2,2%
G - Heild- og smásöluverslun, viðgerðir á vélknúnum ökutækj	1,3%	1,4%
Samtals fyrir heimili	11,3%	8,1%



79,1%

The impact of climate change on the labor market



- Employment policy is an important tool in the fight against climate change
- There is no employment policy existent today, nor is there an education policy takes it into account
- The transition to a carbon-neutral economy can lead to job growth
- Green jobs are not enough– they to be good!!

The impact of climate change on the labor market

Just transition in the labor market:

- Retraining and continuing education
- Social protection
- Welfare benefits
- Early retirement
- Reconstruction of jobs

Benefits from the transformation evenly distributed!..

Sjávarútvegur

Ofanflóðasjóður kaupi frystihúsið á Seyðisfirði og andvirðið nýtist á staðnum

Síldarvinnslan hefur frestað að loka frystihúsinu á Seyðisfirði fram á vor til að gefa starfsfólki tíma til að finna aðra vinnu. Þá kemur til greina að fyrirtækið gefi andvirði frystihússins til atvinnuuppbyggingar.

Rúnar Snær Reynisson
17. október 2023 kl. 18:07



Iceland's climate strategy



- Climate change is an example of negative externalities.
- A consequence of the economic system and national structure that exists today
- The government can use a variety of methods and policy tools to respond to the problem

Iceland's climate strategy

What policy tools are best suited to tackle climate change?

When choosing policy tools various factors need to be considered:

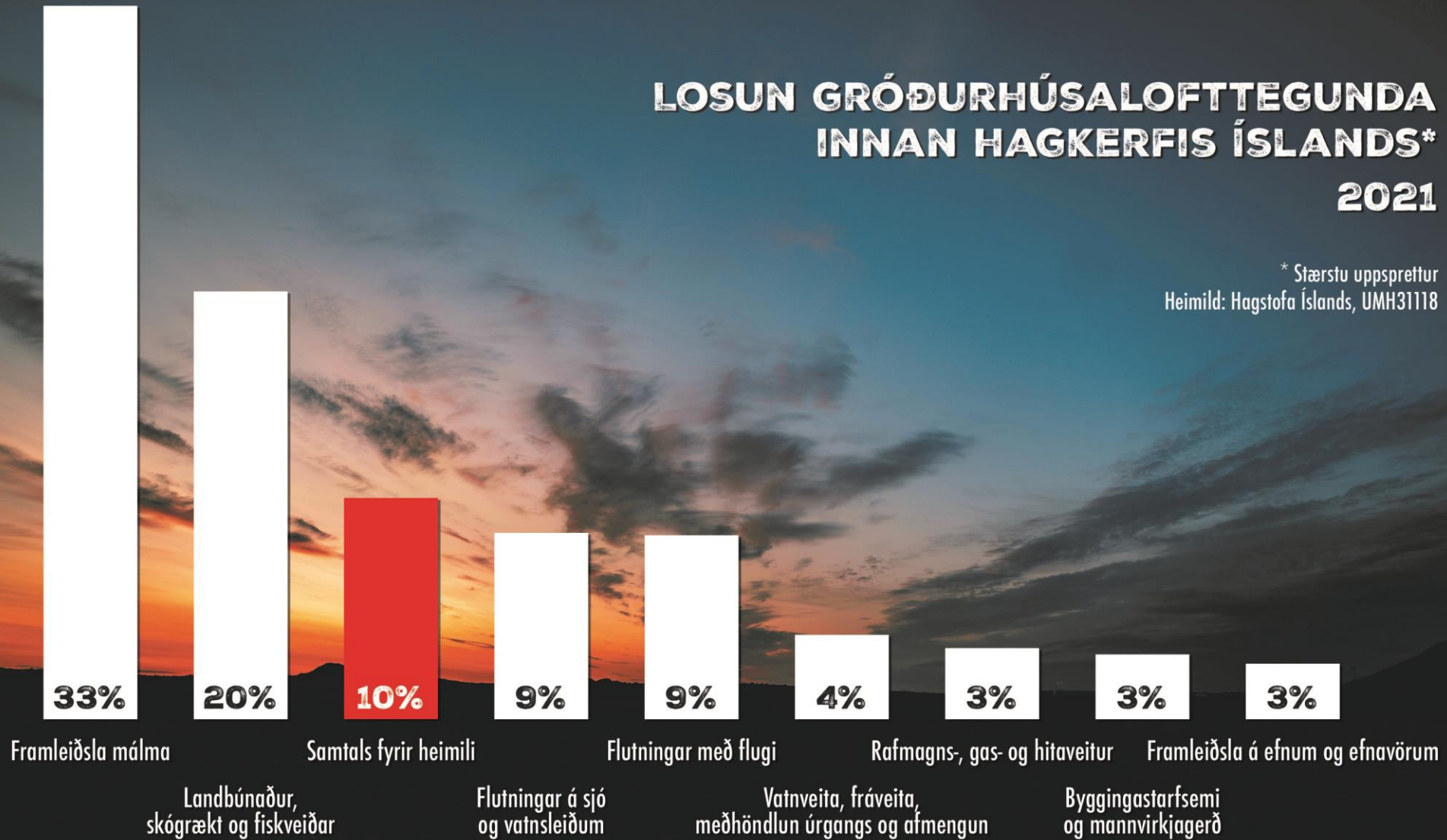
- Efficiency
- Justice, equality
- Cost effectiveness
- Etc...



LOSUN GRÓÐURHÚSALOFTTEGUNDA INNAN HAGKERFIS ÍSLANDS*

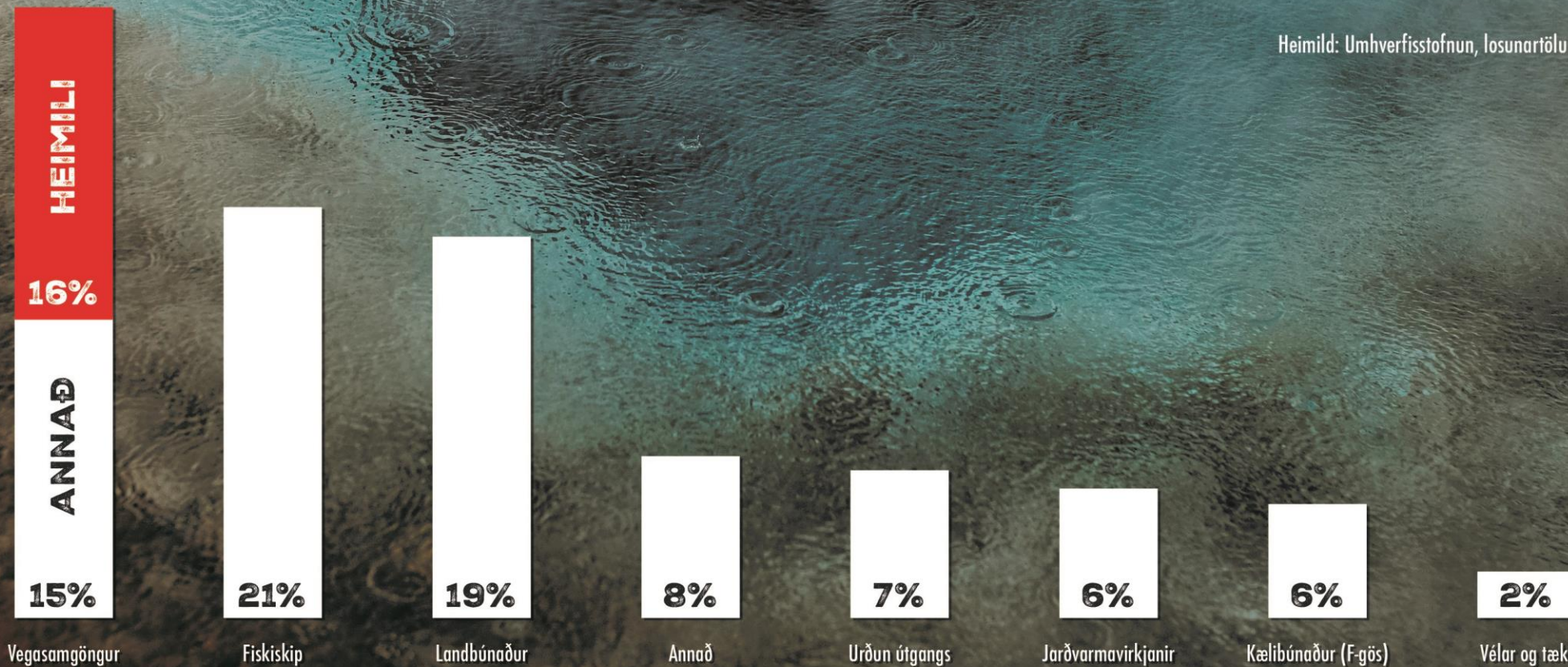
2021

* Stærstu uppsprettur
Heimild: Hagstofa Íslands, UMH31118



LOSUN GRÓÐURHÚSALOFTTEGUNDA Á BEINA ÁBYRÐ ÍSLENSKRA STJÓRNVALDA 2021

Heimild: Umhverfisstofnun, losunartölur



Iceland's climate action plan

- 50 actions
- Main focus on energy exchange and road transport

The government's emphasis is reflected in:

- The amount of money spent on different climate actions
- Number of transport- related actions in the action plan



Júní 2020

Aðgerðaáætlun í loftslagsmálum

Aðgerðir íslenskra stjórnvalda
til að stuðla að samdrætti í losun
gróðurhúsalofttegunda til 2030



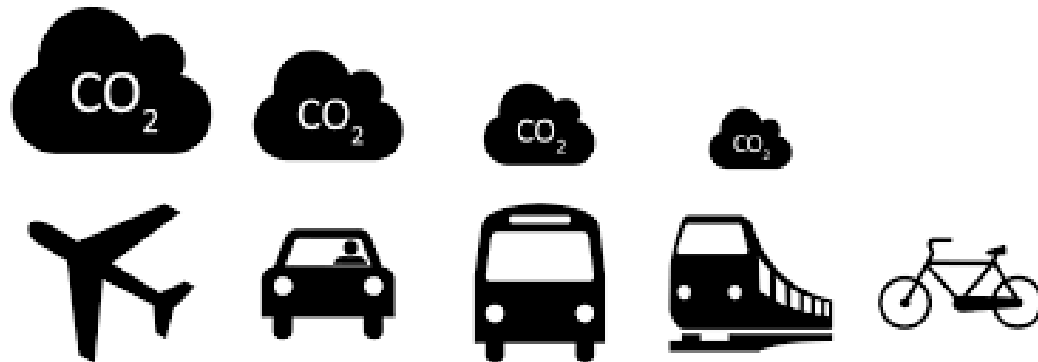
Stjórnarráð Íslands
Umhverfis- og auðlindaráðuneytið

Transportation and climate

Transportation is a basic service

Transportation is the second largest item of household's expenditure after housing

Big source of greenhouse gases in this country (and elsewhere!)



Transport poverty

Transport poverty

- Difficulty meeting travel needs
- Lack of access to a car
- Poor public transport
- Long travel time between destinations

Factors of influence

- High transport cost, high gas prices
- Energy exchange
- Expensive or poor public transport (or other modes of transport)



Interaction between inequality and transport

Vicious cycle of transport poverty

- Income affects access to transportation
- Access to transportation affects job opportunities
- Which then affects earnings (possibilities of earning income)



Climate action in transportation

Higher taxes and fees – carbon taxes etc.:

- Regressive
- Are supposed to influence behavior

Abolition of VAT when purchasing electric cars

- 27 billion in 10 years
- Not cost effective
- Ineffective for pollution reduction

Public transportation – city line

- Construction hasn't started
- Reduced bus services, price increases

Yellow vests

- Fierce protests and riots in France in 2018.
- Started when gas taxes were raised.
- At the same time, the government planned to loosen labor laws, reduce workers' rights and reduce wealth taxes.
- The government canceled the actions and altered them to become more just because of the protests



Climate actions towards companies

- Fisheries = Tax incentives, exemptions, public support for research and development
- Agriculture = Advice and education
- Aluminium companies... ETS system and limited taxes
- Car rentals = Billion in subsidies for electric cars



GREIÐENDUR
UMHVERFISSKATTA
2020

59%



Heimili

38%



Samtals fyrir atvinnugreinar

3%



Erlendir aðilar

Efficiency, justice and fairness?

- Icelandic government's climate actions increases inequality
- Carrots are used for business, but sticks are used for the public (e. carrots and sticks)
- Who pays the bill?
- Where do the investments go and who reaps the benefit?



What could be done instead?

- Consultation with the public
- Fairer financing of climate actions
- Greater emphasis on the reduction in greenhouse gas emissions from large businesses
- Employment policy that takes climate issues into account
- Increasing the number of good green jobs
- Support for retraining and continuing education
- Support for lower income due to energy transition
- Faster development of public transport
- Shortening of the working week

