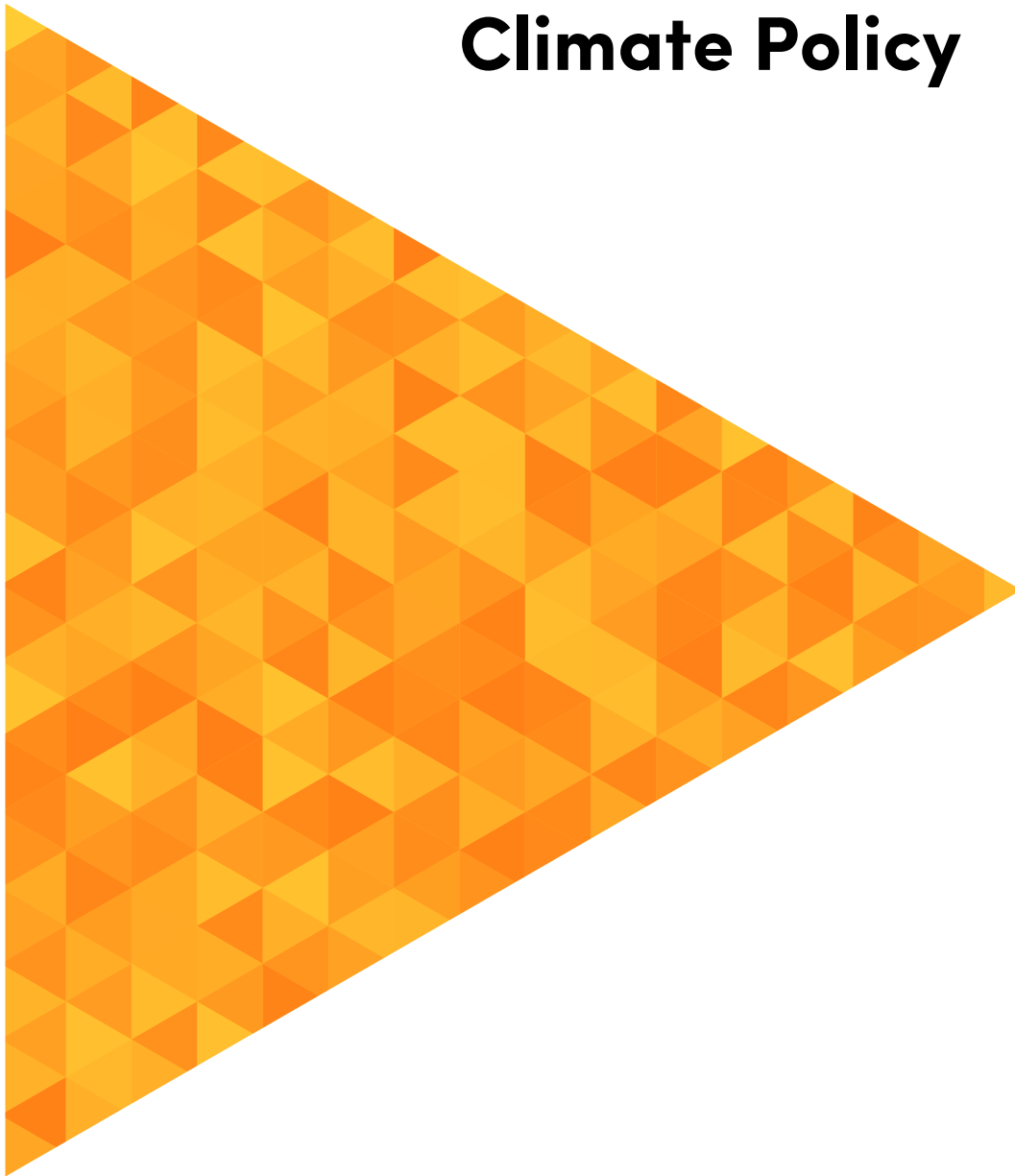


Proposals for People-Centered Climate Policy





Preface

This report has emerged from the encounter between research and civil society over four years of collaboration within the Fairtrans research program. The proposals are based on scientific evidence and on experiences, engagement, and knowledge from people and organizations across the country working on various dimensions of the climate transformation.

We, the authors of the text, come from different backgrounds – universities, trade unions, environmental organisations, and other parts of civil society – with different perspectives and main interests. But we share a conviction: a rapid climate transformation is both possible and necessary. With committed leadership, it can gain broad public support.

The report presents a series of concrete proposals across ten areas for a people-centered climate policy that works, unites – and is both fair and effective.

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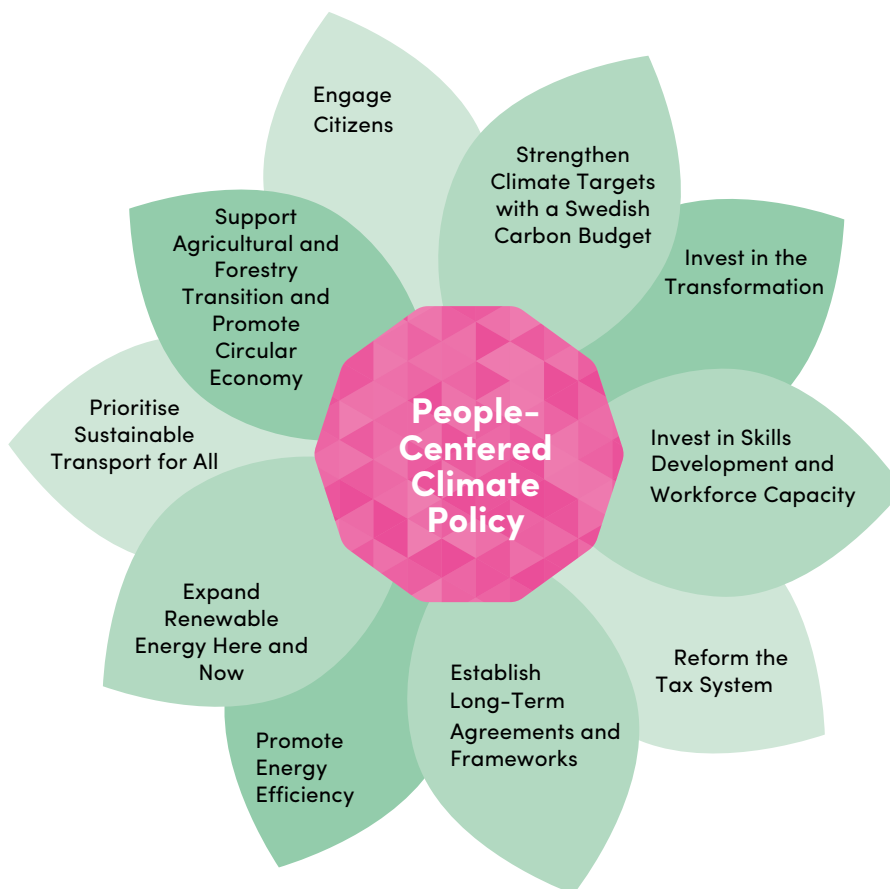
Proposals for People-Centered Climate Policy that is Fair and Effective

Sweden has good opportunities to manage the climate transformation, but current climate policy is moving in the wrong direction. Subsidies for fossil fuels are increasing and support for renewable energy is decreasing. The result is rapidly rising emissions. Sweden is no longer a climate policy leader and risks falling behind as the rest of the world transitions.

Fortunately, research and experience gathered under the umbrella of Fairtrans, a research programme based on collaboration between universities and civil society, show that there is broad popular and organizational support for a rapid climate transformation – if it is done fairly and effectively.

Sweden needs to stand strong on climate issues nationally, within the EU and globally, especially given the US withdrawal from the Paris Agreement and extreme weather becomes more frequent, not least because Sweden risks losing out by delaying its own climate transformation.

It is time to develop a people-centered climate policy. Here are proposals across ten areas.



1. Strengthen Climate Targets with a Swedish Carbon Budget

Research shows that a clear majority of Swedes want to strengthen Swedish climate targets. To create long-term clarity and ensure that total emissions over time are compatible with the Paris Agreement, it may be appropriate to establish a Swedish carbon budget, which is distributed across different sectors, such as transport and housing, where significant progress in the transformation can be achieved within 10 years.

- ▶ Investigate a Swedish carbon budget, compatible with the Paris Agreement and distributed across different sectors.

2. Invest in the Transformation

Climate policy needs to be strengthened with public investments and initiatives that promote transformation, trust, and security. Research shows that climate policy rooted in the public and perceived as fair enables effective emission reductions. It also shows that fundamental climate policy reforms are needed to achieve climate goals. A clear example is public procurement, which could channel billions to the climate transformation.

- ▶ Introduce climate requirements in all public procurement and ensure sufficient resources and competence at The National Agency for Public Procurement.

The transformation requires significant resource allocation. This includes major public investments in skills supply, infrastructure, housing, and local services and communication, as well as investments in welfare to meet increased needs in schools, healthcare, and elderly care, for example in connection with new large green industrial establishments. National resources should also be increased for municipal and regional climate adaptation, where research points to major needs.

- ▶ Expand public services in rural and sparsely populated areas.

In addition to investments and policy instruments, research shows that improved regulations for impact assessments and new welfare metrics are needed. Impact assessments need to ensure that co-benefits of climate policy decisions are reported.

- ▶ Introduce rules for impact assessments that ensure co-benefits of climate policy decisions are reported.
- ▶ Use already developed welfare metrics with indicators for environmental and social sustainability.

3. Invest in Skills Development and Workforce Capacity

A well-managed climate transformation ensures that the jobs created are at least as many and of comparable quality as the jobs that may disappear, not least from a work environment perspective. This requires sustained investment in skills development and workforce capacity. In addition, the general public needs access to climate education and climate research must be further strengthened.

Publicly funded study support for labour market transition, together with the transition and employment security schemes administered by the social partners, plays an important role in enabling a green skills transition. However, these instruments must be complemented by clear political responsibility and decisive policy action. This includes well-defined mandates and adequate resources for relevant actors at all levels and across all parts of the education system, as well as for employers.

- ▶ Develop mandates and provide sufficient resources to all actors that can enable the skills required for the green transition and sustainable jobs, from preschool to adult vocational education and training, universities, and research.
- ▶ Create enabling conditions for geographical labour mobility, ensuring that skills can reach the places where jobs are created in the green transition.

4. Reform the Tax System

In line with the polluter pays principle, subsidies that support the use of fossil fuels should be phased out in the near future. Research shows that these subsidies are extensive. Today, there are large tax discounts on fossil fuels in domestic aviation and shipping, as well as in agriculture and the fishing industry. These need to be gradually phased out and redirected to support renewable energy, resource efficiency, and the climate transition.

- ▶ Phase out subsidies for fossil fuels and allocate sufficient resources to support the transition.

To reduce greenhouse gas emissions, emission costs need to be increased across all sectors. Part of this transition can occur through a tax reform where the tax system more strongly promotes climate goals, secures the long-term financing of the public sector, and strengthens education and innovation. A governmental inquiry should be appointed to formulate guidelines and principles for such a comprehensive tax reform. This should consider the climate crisis, demographic changes, technological development, and an increasingly uncertain geopolitical environment, as well as research showing that policy packages – where climate policy instruments are combined with support for those facing major challenges in the climate transition – can increase support for reforms.

- ▶ Develop economic instruments to achieve climate goals.
- ▶ Investigate a fundamental tax reform that addresses key societal challenges, including the climate crisis.

A comprehensive tax investigation must not result in postponing already investigated reforms – for example, the travel deduction for commuting must immediately be made mode-neutral and distance-based, as the Parliament has previously decided with broad consensus.

5. Establish Long-Term Agreements and Frameworks

A prerequisite for the climate transition is broad, cross-party agreements that create long-term stable and predictable rules, especially in the energy sector. The transition needs to build cooperation between politics, employers, employee organizations, and civil society. The Swedish model more broadly also needs to be safeguarded – in the governmental inquiry system, referral procedures, and societal dialogue – so that knowledge and experience within research, civil society, and labor market parties are utilized.

- ▶ Secure the green transformation through stable cross-party political agreements and provide opportunities for societal participation in policy development.
- ▶ Use the Swedish model and develop dialogue between the government and labor market parties on issues of green skills supply.

6. Promote Energy Efficiency

In the energy sector, efficiency needs to be promoted with new policy instruments. Research and public inquiries show that there is great potential in adopting new technology, promoting energy efficiency and reuse, and recovering waste heat. An ambitious national target for energy efficiency linked to policy instruments in a national action plan – which also implements EU legislation on total energy use – needs to be adopted. Policy instruments are needed, for example in the housing sector in the form of stricter climate requirements for new buildings and support for measures in existing multi-family houses and rental housing.

- ▶ Investigate and establish a national target and introduce policy instruments for energy efficiency and total energy use.

7. Expand Renewable Energy Here and Now

In parallel, more renewable electricity needs to be added. Generation of electricity from wind and solar must be increased much faster than today. This requires improved planning, public investments in grid infrastructure, and measures to enhance public acceptance of renewable energy. Research shows, for example, that local revenue sharing from wind power can increase public support and facilitate expansion. Meanwhile, the climate transformation must not come at the expense of high natural values or undermine indigenous rights.

- ▶ Reinstate state funding for connections to offshore wind power.
- ▶ Introduce systems that ensure revenue sharing from wind power to local communities.

8. Prioritise Sustainable Transport for All

Research also shows that the transport sector requires substantial efficiency improvements, for example by counteracting urban sprawl. Walking and cycling must be promoted and major investments in public transport are required, both in rural areas and cities. A national ticketing system must be investigated. Greatly increased resources are also needed for the expansion and maintenance of railways, also at the regional level. Electrification can be promoted through a self-financed bonus-malus system for passenger cars, requirements for company cars to be electric, and increased state support for the expansion of charging infrastructure in road networks where coverage is low. Economic incentives need to be adjusted in several cases. It is important that everyone, regardless of where they live and their level of income, can be part of the green transformation. It is also important to ensure good access to public services and digital infrastructure in rural areas.

- ▶ Invest heavily in public transport and investigate a national ticketing system.
- ▶ Invest heavily in maintenance and expansion of railways.
- ▶ Create incentives that promote a rapid transition to electric vehicles, especially in rural areas and in areas with low levels of public transport.
- ▶ Promote walking and cycling to reduce emissions and noise, and create safe and fair access to attractive cities for all.
- ▶ Enable everyone, regardless of where they live and their level of income, to be part of the transition to sustainable transport.

9. Support Agricultural and Forestry Transition and Promote Circular Economy

Emissions must also be reduced in agriculture and forestry. Research shows that the potential to reduce emissions and create carbon sinks is very large, for example in nature-based solutions such as wetland restoration. Here too, differentiated policy instruments and support are needed, not least with regard to farmers and other entrepreneurs facing difficulties in the transition. In the rest of society, certain goods and services, for example in the textile and food sectors, have particularly high climate impact. Here, both informative and other policy instruments are needed as well as promotion of circular processes, for example through deposit systems and requirements on the use of reused and recycled materials.

- ▶ Create incentives and support for increased carbon sinks in land-based sectors.
- ▶ Introduce policy instruments that reduce emissions from goods and services with high climate impact.
- ▶ Create incentives for a circular economy that leads to reduced climate impact.



10. Engage Citizens

To foster participation and engagement in the climate transition, municipalities, regions, the government, and authorities can support, develop, and apply methods and processes for citizen dialogue as a complement to representative democracy. Research indicates that, for example, citizens' assemblies, where people with different views gather to deliberate and find common ground on difficult issues, can be an important part of the climate transition.

- ▶ Assign the Swedish Climate Policy Council to promote citizens' assemblies for a fair and effective climate transition.

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In the Fairtrans research program, scientists and civil society organisations co-create scientifically based policy proposals for fair transformations to a fossil free future.

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