

Akava's climate policy positions

Akava's theme programme



Akava

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Akava's climate policy positions

The climate policy concerns multi-generational equity. The Earth must remain viable for current and future generations. Everyone should be able to live a good life now and in the future without exceeding the carrying capacity of the Earth. To succeed in this pursuit, it is vital to agree on progression and actions through broad co-operation.

Developed countries have a responsibility to build global climate solutions. Climate change is directly linked with the economy and security through, for example, the food supply and extreme weather phenomena. Problems caused by climate change, such as those which may lead to climate migration, will not remain just local problems. Rapid and uncontrolled climate change would lead to a global and drastic reduction in viable living areas and our capabilities for action.

The upside of the climate threat is that it can act as a stimulus for improvements and development. If Finland grabs hold of this opportunity, it could become a pioneer for climate actions and a significant source of climate solutions. Climate measures can improve the well-being of people in Finland in multiple ways, even though climate change is largely detrimental. For many Finnish citizens, certain climate actions have already become a regular part of their daily lives, but as additional support, we need system-level changes and political decisions that create incentives to act.



Akava promotes a just and goal-directed climate policy that makes it possible for everyone living in Finland to have the opportunity to contribute to climate change mitigation and adaptation measures, and for everyone to view these climate actions as being beneficial. Akava is committed to the promotion of climate-positive working practices within its own activities.

Key aspects of Akava's climate policy

- 1.** Only a sufficiently goal-driven climate policy will advance Finnish competitiveness and well-being.
- 2.** Succeeding in our climate objectives also calls for investments in competence.
- 3.** An increasing investment in research, development and innovation activities should be a visible aspect of green transition actions.
- 4.** The EU Green Deal is central to the future of Europe. Finland shall actively participate in its preparation.
- 5.** Climate measures must be enacted in a socially and regionally just manner.

1. An ambitious climate policy will advance Finnish competitiveness and well-being

Sectoral low-carbon roadmaps drawn up in 2020 indicate that Finland's national goal to be carbon neutral by 2035 is achievable through the use of technologies that exist or are in development.

The target set forth in the Paris Agreement is to limit the temperature increase to 1.5°C in comparison to pre-industrial levels. The emission reduction targets and measures reported by countries to this point have not yet been sufficient to achieve this goal. Instead, with the current climate policies and measures, the world is progressing toward a temperature increase of more than 2.5°C.

According to the UN Environment Programme (UNEP), the 1.5° target would require the reduction of carbon emissions to zero level by 2050 and of all greenhouse gas emissions to zero level between 2060–2080. The UNEP stresses that if the target level for current climate measures is not raised before 2030, it will be impossible to prevent the world from exceeding the 1.5° limit.

Akava emphasises that Finland must stick to its climate goal to achieve carbon neutrality by 2035. After this, Finland should achieve carbon negativity as soon as possible by setting annually increasing targets for carbon sequestration, also through the use of technology. The target can be achieved with the help of a national and systematic climate policy and measures backed by research-based knowledge. In addition to RDI investments and the availability of experts, the achievement of the targets requires a predictable and facilitating operating and investment environment, as well as smooth permit processes and regulation.

When considering the alternative costs of solutions, it is important to remember that the adverse impacts and risks related to climate change as well as the resulting costs are increasing each year due to, for example, the increasing prevalence of extreme weather conditions, flood risks and uncertainty about the availability of raw materials for industry.

Along with the mitigation of climate change, Finland should work toward halting biodiversity loss and strengthening nature's diversity. Climate change and

Finland should achieve carbon neutrality no later than 2035 and carbon negativity as soon as possible after that.

biodiversity loss must be resolved together, since global warming accelerates biodiversity loss and, in turn, biodiversity loss accelerates climate change.

Climate change is a global phenomenon and, therefore, Finland must take an active role in international forums to advance climate change prevention and adaptation measures. If Finland achieves sufficiently ambitious climate targets, it can offer solutions to the global market and strengthen Finland's image as a leading developer of solutions to combat climate change. Green transition and the crucial digitalisation required to achieve it must be a central aspect of the national economic policy.

Finland's economic growth must be founded largely on green transition solutions that are not based on the overconsumption of natural resources and fossil fuels. A sustainable economy relies on renewable natural resources and low-carbon solutions that promote bio and circular economy as well as biodiversity. Finland's climate policy actions must be selected on the basis of their capability to reduce emissions in an economically cost-effective manner.

Furthermore, climate change mitigation calls for true leadership from the State and other organisations. The Finnish Government must demonstrate proper ownership steering in the enterprises it owns and consistency in transition. By setting a clear direction, the State also encourages companies to seek solutions to climate change challenges. When public procurements are made to more effectively support the green transition and sustainable solutions for the environment and climate, this signifies a commitment to ecological responsibility.

The Akava community is active in climate policy discourse and advocacy and offers current and relevant information on the impacts of climate change in different sectors.

Akava's three key goals for a more ambitious climate policy

- 1.** Finland shall be carbon neutral by 2035 and this achievement shall be followed by an annual increase in negative emissions.
- 2.** Climate work shall be a key aspect of Finland's national image and Finland shall rise up as a leading developer of solutions to combat climate change. The climate impacts of the State budget in relation to the set climate targets shall be assessed each year.
- 3.** The Finnish Government shall enact a coherent climate policy that provides companies with sufficient incentives to invest and develop the competence of the labour force.



2. Investments in competence lead to success in climate targets

The European University Association's (EUA) Public Funding Observatory shows that Finland's public funding for universities has decreased in relation to the GDP over the past decade. In other Nordic countries, this funding grew more than the GDP.

According to the assessment of the European Commission, the green transition could generate about one million new jobs by 2030 and 2 million by 2050 in, for example, the civil engineering, information and communication technologies and renewable energy sectors.

The electrification of society, new clean energy sources, bio and circular economy as well as digitalisation are changing industrial and business processes and introducing alternative technologies. As is the case with digitalisation, the green transition also calls for nearly all citizens to expand their areas of competence.

The achievement of a carbon-neutral, and later, a climate-positive society demands reforms from companies, communities and workplaces. The green transition will succeed provided that workplaces have the sufficient competence necessary to utilise climate-positive methods, technologies and innovations. The generation and scaling of innovations also calls for a sufficient number of experts.

The ability to react to future labour market changes in a timely fashion requires recognition of the employment impacts of green transition and adaptation and



identification of the new types of competence that will be needed. This calls for sector-specific competence surveys, the results of which should be included in education forecasts, curricula and continuous learning plans. Since training takes many years, investments should also be made in on-the-job learning and further education opportunities. Intellectual capital must be enhanced in those sectors that are considered critical in terms of climate change. Additionally, the possibilities offered by continuous learning must be recognised and its various forms supported.

Updating the competence of employees calls for co-operation between education providers and employers. It is important for workplaces to prepare for the green transition and the needs for competence it will generate. The green transition highlights the importance of increasing competence and work-based immigration.

Climate education is a key aspect of the solution to climate change. Climate education increases people's knowledge about the causes, consequences and solutions related to climate change. The climate policy is better received when there is more understanding about climate change and the measures that are needed to prevent global warming and to adapt to the current changes, including, for example, measures related to risk management. Climate competence must be accrued throughout the entire course of education from early childhood education to higher education. Within higher education, the role of cross-disciplinary knowledge related to climate change in degree studies should be strengthened to enhance the relevant competence.

The green transition requires competence development within workplaces and society at large.

Akava's three key goals for the development of climate competence

1. Sufficient expertise shall be assured in those sectors, in particular, that have been identified as critical in terms of climate change and the employers' role in the development of employees' competence shall be strengthened.
2. Successful foresight calls for sector-specific identification of employment impacts and competence surveys.
3. Multi-disciplinary climate competence shall be strengthened at all levels of education.

3. The increasing investments in research, development and innovation activities should be strongly allocated to green transition actions

In terms of international comparison, Finland has fallen behind in research and development investments, which has a direct impact on productivity growth. Over the coming years, the intent is to increase funding so that, by 2030, Finland's RDI investments will be 4 per cent of the GDP.

Significant investments are needed if Finland is to achieve climate neutrality by 2035. The electrification of the energy system, for example, would double the demand for electricity by 2050. Further research and development in multiple sectors, such as hydrogen technology and energy storage, are necessary in order for new climate solutions to reach the market and to be scaled for use.

The Sustainable Growth Programme for Finland is set to receive nearly 3 billion euro in funding through the EU. Finland intends to use approximately half of the funding on the green transition and one third on measures that advance digitalisation. Finland has also established a Climate Fund of approximately 130 million euro in liquid assets to finance climate and digitalisation projects.

At least 35 per cent of the budget of the Commission's Horizon Europe programme for research and innovations should be utilised on measures that support the green transition. More than 1 billion euro in funding for the green transition has already been granted through thematic calls. Additionally, the EU Innovation Fund will grant around 10 billion euro in support for clean technology solutions between 2020–2030. These funds come from the auction revenues of EU ETS allowances during this decade.

Finland should endeavour to be a forerunner in RDI activities to find climate change solutions. Climate change mitigation offers abundant possibilities, and innovations will facilitate ever more effective and cost-efficient climate measures. Innovations to mitigate climate change generate substantial new business opportunities for Finnish companies and can act as a significant booster for economic growth. Demand in the domestic market and EU internal market for climate-positive encourages companies to invest in green transition innovation activities and to help scale solutions for the global market. Once the EU emissions trading system expands to traffic and heating, these revenues should be primarily allocated to the Innovation Fund rather than to the Social Climate Fund.

Significant investments in RDI activities will be needed in order to ensure the success of the green transition. There is a need to further strengthen the prerequisites for RDI activities at universities, universities of applied sciences, public research institutes and companies. Green transition also calls for dialogue and collaboration between the scientific community, companies and other sectors of society. Funding must involve all methods that ensure that private sector RDI investments in the green transition might be leveraged and boosted. At the same time, the sufficiency of competent RDI personnel must be assured.

Promoting bio and circular economy is a key solution to the climate issues, but it is also of prime importance in order to safeguard the security of supply for a mineral-poor Europe. For this reason, the deployment of innovations within bio and circular economy and increase in related research should be a focal area for research funding.

An outlook for RDI funding that extends beyond the government terms, as well as an effective regulatory and permit environment, must be created for companies. Additionally, the internationalisation of SMEs must be advanced to enable for our innovations to succeed on the international level as well.

The green transition calls for more research-intensive business, in which companies have both their own RDI activities and the possibility to generate such activities through co-operation with universities and research institutes. The focus of the business subsidy system must continue to be shifted from conservative subsidies to forms of subsidies that promote investments in technology and innovative projects, and that support the green transition.

Akava's three key goals for green transition RDI activities

- 1. EU-wide funding channels shall be utilised more efficiently.**
- 2. In developing and deploying climate solutions, investments shall be made in public and private sector collaboration and ecosystems alongside solid basic research.**
- 3. Bio and circular economy shall be designated as a key focal area of RDI activities.**

4. The EU Green Deal is central to the future of Europe

– Finland shall actively participate in its preparation

The European Union is one of the largest economic areas in the world and it is positioned ideally to continue to be a global climate leader that motivates other economic areas. The EU is also engaged in global advocacy work through the UN Climate Change Conference (COP27) and sustainable development entries in EU trade agreements, such as those with India and South America.

The EU is committed to reducing greenhouse gas emissions by a minimum of 55 per cent below 1990 levels by 2030. Through the EU, Finland has the opportunity to contribute to addressing climate and energy issues on the global level. The purpose of the EU Green Deal is to make Europe the world's first climate neutral continent by 2050, which would further increase the competitiveness of the EU and create millions of jobs.

The significance of the Green Deal has also increased in terms of geopolitics, as it includes measures that strengthen Europe's self-sufficiency and security of supply.

The EU's ambitious climate policy is an advantage for Finland in its efforts to be a global forerunner in developing solutions for climate change. The EU must raise its objectives in order to achieve carbon neutrality well in advance of 2050 and, for that reason, the Fit For 55 proposal package put forth by the European Council would be beneficial. Tightening the climate objectives requires the introduction of new environmental and energy technologies as well as the acceleration of the scaling of current technologies within the EU's internal market. In addition to the increasing demand within the internal market, this will improve the EU's position within export markets and facilitate growth and the generation of jobs in Finland and the EU. On the EU level, it is important to revert to compliance with the current EU state subsidy rules without delay.

The emissions trading system has proven to be the most viable solution for the reduction of emissions and an expansion of its use would be advantageous. Carbon limiting mechanisms (carbon customs duty) could be utilised to stem

the risk of carbon leakage within the system. The emphasis within the EU should be on creating markets that are critical in terms of solving environmental crises. Europe needs to strengthen its self-sufficiency and tighten its regulation concerning sustainable access to raw materials, recycling and recovery at EU level.

Finland must be an active and long-term agent of influence within the European Union while also demanding an adequate target level and the safeguarding of the competitiveness of the EU member states. Finland must, through its advocacy efforts, make use of all the opportunities that the transition towards a low-carbon society creates for business and economic growth. Finland's advocacy work must reflect its goal to become a leading country for low-emission solutions.

Finland is the northernmost country in the world that engages in forestry and agriculture. The warming of the Arctic areas directly impacts on Finland's business endeavours and its citizens. The growing season has lengthened, but the threats that come with weather and climate risks are, in part, difficult to anticipate. It is important to consider the uncertainty connected with this change when coordinating political actions. Finland's northern location and its special characteristics should be taken into account in the EU climate and energy policies. At the same time, however, we must remain true to Finland's own objectives for combatting climate change and biodiversity loss. Climate change offers new growth and export opportunities for the food sector.

The basis for all EU engagement is that the member state knows its own objectives. For Finland to effectively advocate its positions and influence within the EU, efforts must be made at the national level for better foresight and prioritisation, as well as for dialogue between actors. This ensures that the formulation of Finland's position will not be delayed, for example, by differing opinions of ministries, whereby Finland's possibilities to exert influence in the EU would be weakened.

The EU must establish recommendations for an equitable transition as a means of encouraging the Member States to take the impacts of climate actions into consideration as they concern people's living conditions. As a means of supporting an equitable transition, the EU must establish recommendations that cover all the different policy sectors as well as a sector-specific programme for the organisation of retraining and continued learning, since carbon neutrality will mean that many sectors will need new types of competence and retraining.

Finland must be an active and long-term agent of influence for the EU's green transition.

Akava's three key goals for Finland's active participation in EU climate policy and actions

- 1. The EU shall raise its objectives so as to halt biodiversity loss and achieve carbon neutrality by 2050.**
- 2. The primary emphasis of the EU climate policy shall be the generation of markets with the aim off solving environmental crises.**
- 3. The EU Green Deal is part of a geopolitical approach in which Europe consciously reduces its dependence on imports of critical raw materials.**



5. Just and equitable climate actions

Climate change prevention and adaptation is essential from the perspective of global and multi-generational equity. An equitable transition is the core of the Paris Agreement and EU Green Deal, among others. When climate actions are fair and just, they also progress and reduce polarisation.

The EU Just Transition Mechanism protects citizens who are most vulnerable to the transition. The Mechanism consists of the following sub-areas: 1) facilitating employment opportunities in new sectors and those in transition, 2) offering re-skilling opportunities, 3) improving energy-efficient housing, 4) investing to fight energy poverty, 5) facilitating access to clean, affordable and secure energy.

Future generations will inevitably be forced to live in a warmer climate that will increase, for example, extreme weather phenomena, harmful health impacts, threats to food security as well as climate migration.

The European Union is one of the largest economic areas in the world and it is positioned ideally to continue to be a global climate leader that motivates other economic areas. The EU is also engaged in global advocacy work through the UN Climate Change Conference (COP27) and sustainable development entries in EU trade agreements, such as those with India and South America.

Akava's three key goals for a more just end equitable climate policy

1. Akava demands a fair and just climate policy through which every Finnish citizen is provided with the opportunity to contribute to climate change mitigation and adaptation actions.
2. Wage earners shall be included in all policy actions concerning the planning and monitoring of the climate policy.
3. Akava supports a sustainable development tax reform in which the taxation for activities that are harmful for the environment would be increased and the taxation of earned income and businesses would be alleviated.

Every Finnish citizen should have the possibility to participate in climate change mitigation and adaptation processes. The climate targets are achievable as long as citizens perceive the climate policy as being equitable and they are offered the possibility to participate in the preparation and implementation of the climate policy actions. The possibility for different generations to influence and contribute to climate work can be promoted through generation-oriented equity. Climate actions must not be realised in a way that increases inequality.

The national climate policy should pay more attention to the position of wage earners and citizens in general within the changing environment. The planning of the national climate policy should more comprehensively involve civil society actors, such as labour market organisations. Workplaces should increase dialogue between employers and employees as a means of promoting a participatory climate policy.

When planning climate actions, it is vital that citizens be included and encouraged to join in genuine dialogue. Climate issues should be communicated clearly, persistently and accessibly. The climate policy should support a predictable operating environment that facilitates planning of the future for both businesses and citizens, as well as for other organisations. Additionally, conditions must be created that would enable Finnish companies to invest in and develop products and services that have international demand. Finland must endeavour to ensure that all states commit to compliance with the jointly established rules.

Economic instruments should be utilised to steer consumption towards more sustainable alternatives from a climate perspective. A sustainable development tax reform would enable for more rigid taxation of activities that are harmful for the environment and lower taxation of earned income and businesses. Actions related to climate change must, however, be as cost-efficient as possible, and any burden on the consumers shall be distributed evenly so as to safeguard the livelihood of those in the weakest position.

Within development co-operation, there must be increased support for actions that seek to more extensively improve the living conditions of those in developing countries and to prevent climate migration. Finland has a significant amount of expertise in, among others, afforestation projects and agroforestry as well as in the prevention of desertification and forest fires. The primary line of action in both developing and developed countries should be the "climate-resilient development pathways" discussed in the "Global Warming of 1.5°C" report by

Climate measures must be enacted in an inclusive and just manner.

the IPCC. This refers to adaptation measures and the strengthening of social resilience, or tolerance for change. Furthermore, the educational systems of developing countries must be strengthened and, in particular, the social position and school attendance of girls must be increased.

Young people play a key role in terms of climate change mitigation. They are entitled to be heard and their concerns should be taken seriously as part of the decision-making related to climate change actions. Akava offers young people the means to be heard. Our goal is to improve their possibilities to participate in climate actions within workplaces and educational institutions.

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