

Making the socio-ecological transformation a political priority

CSL, LCGB, OGBL and Mouvement Écologique note that the socio-ecological transformation, one of the greatest challenges of our time, has unfortunately not yet been a political priority in Luxembourg. The central shortcoming of Luxembourg's energy and climate policy, also from a social perspective, can be summarised as follows:

- In practice, the existing subsidy programmes often bypass people on low incomes - whether due to a lack of equity, tenancies or structural restrictions.
- At the same time, there is a lack of targeted, low-threshold programmes that systematically and effectively support these households.

Low-income people in particular are not among the main perpetrators of the environmental and climate crisis - on the contrary, they are suffering particularly from the climate and biodiversity crisis. According to STATEC calculations on household purchasing power and energy prices, energy expenditure accounts for a significantly higher proportion of the budget of these low-income households.

This results in a clear political mandate: politicians must make decisions today that specifically hold those sections of the population who contribute disproportionately to the climate crisis accountable. Clear guidelines, regulations and limits are essential here.

However, climate protection must not lead to social division, but must be used as an opportunity for more justice.

The EU has already taken an important step towards a socially just energy transformation with a new impetus: All member states are required to draw up a "*Plan social pour le climat*" (PSC) by 2025. A first draft of the "*Plan social pour le climat*" was presented in Luxembourg from 25 March to 30 April as part of a public consultation process.

The Chamber of Labour (CSL), OGBL, LCGB and Mouvement Écologique have taken this opportunity to issue a joint 21-page statement. Together, they firmly believe that ecological and social justice are inextricably linked. The current government must make significantly more efforts to promote a socially just climate policy. The PSC is a central building block for the rapid development of a comprehensive national strategy for socio-ecological transformation.

CSL, OGBL, LCGB and Mouvement Écologique present concrete and key proposals for improvement - with a view to both the PSC itself and a more far-reaching climate social strategy:

- **Sufficient financial resources must be made available for the socio-ecological transition, far in excess of those provided by the EU.**
- **The creation of a PSC must be based on facts:** The current situation of households must be analysed and target groups defined. Which households are already affected by the transition and to what extent? Under what conditions do they live (e.g. insulation of houses, proportion of energy costs to income)? Which households and how many people should be able to benefit from the programmes? What contribution should be made to reducing CO₂ emissions? Such scenarios and calculations must form the basis for prioritising and hierarchising the measures. In order to create a comprehensive strategy, the stakeholders

involved - in particular social service providers and STATEC - should jointly define what additional data is required for a rapid fact-based analysis.

- **The climate social plan should be part of an overall strategy for socio-ecological transition and fulfil the following criteria:**
 - a clear hierarchy of measures;
 - an evaluation of the effectiveness of existing instruments so that obstacles to implementation can be identified and eliminated;
 - a clear prioritisation of the most important measures.

It remains essential to effectively cushion the strongly regressive effects of environmental taxation through targeted social equalisation measures. The aim must be to mitigate the impact on particularly vulnerable households and protect them from energy poverty. This is the only way to enable a fair, socially acceptable and ecological transition.

The CO₂ tax credit must therefore be strengthened until the fiscal revenue loss from these compensation payments corresponds to at least 50 % of the CO₂ tax revenue.

In view of the numerous recent European changes that are likely to lead to further increases in the price of CO₂ per tonne, CSL, OGBL, LCGB and Mouvement Ecologique are also calling on the government to carry out a comprehensive analysis of the regressive effects of this price development on the purchasing power of vulnerable households.

Translated with deeple