

Ensuring a just energy transition and mitigating negative impacts

Key speakers

❖ Ioannis Paidas, President, OKE Greece

I would like to thank the host organizers of this year's summit for the great opportunity they offer myself as President of the Economic and Social Council of Greece, to develop our views on such an important topic, which has been a priority concern to us in latest years, during which we have increased our public interventions and actions, at national and international level.

Undoubtedly, one of the most important challenges the international community and the EU face today- as seen in the Green Deal and the Union's subsequent strategy documents - is the smooth running of the green transition process, so that there will be the least possible welfare losses for households and businesses and achieve effectively the goals of environmental neutrality. This is, in other words, the strategic goal of a fair and effective "inclusive" transition, which will focus to support:

- households that are unable to adapt their living to the new standards of energy independence,
- business sector and professions that are unable to cope with increased costs, but also
- societies, states, regions that may be affected in economic and development terms by the energy and green transition.

The latter case may refer to job losses at the local level, or to substitution of traditional economic activities, therefore, a period of adjustment is required, which however produces higher costs and induces more losses.

The current session of the Summit thus, deals with the need to analyze and tackle, or even minimize the negative impact on the economy and society from the green transition in the midst of great economic and geopolitical tensions and effectively develop a policy framework in the field of energy policy and climate adaptation/mitigation. These policies will aim to strengthen the protection of various social groups - affected in different ways and at different scale-, businesses - which a competitiveness problem -, and less developed states that need additional resources for their development. Another important issue is the target of

energy independence and balancing demand in energy reserves - as, let's not forget that the international community is on the brink of the green transition and the international energy crisis, which followed the pandemic crisis.

Dear honorable hosts and guests, we shall be frank, the energy crisis has partially turned economies away from the dual existential goal of energy sufficiency and just transition. The energy crisis appears to be fueling inflation in the food sector as well by making it difficult for households to access cheap basic goods, while "green" goods become more expensive and luxurious. Poor countries are most vulnerable to this new reality. The combination of the energy, climate and geostrategic crisis has triggered across the European continent and the Med region a large increase in the cost of production of the primary sector and manufacturing. In addition, as the climate crisis is advancing, the issue of efficient water management is back on the agenda.

The need for a swift and efficient transition to a green climate-neutral economy model has also brought about major structural changes concerning local entrepreneurship, employment and the use of alternative forms of energy. In Greece today, the main issues that are dominant in the public debate regarding the green transition and adaptation are energy poverty, energy savings of households and the substitution of forms of energy with more efficient and less costly solutions.

Both at the international conference we organized in Thessaloniki in March 2023, as well as through the latest initiative opinion we issued with the assistance of the scientific advisors and experts on the energy crisis, the resulting conclusions tend to have a common axis of reference and permeate in a unified way the set of concerns raised by the countries and organizations that participated in the conference and in the drafting of the initiative opinion. These findings refer to the need for a more proactive policy in the area of environmental and energy adaptation, with emphasis on energy independence and autarky, weaning off imported fossil fuels, establishing a transparent pricing mechanism, an effective marketing and disposal system and protecting the vulnerable populations from the risk of energy poverty.

The recommended interventions should guarantee uninterrupted and cheap energy flows for households and the economy, considering it a constituent element of social welfare and cohesion, but also they should be consistent with the settled and commonly agreed goals for sustainable development and climate change mitigation.

More analytically, a great challenge for the region of the Mediterranean, with its particular local characteristics, is the exploration and adoption of applied policies at a medium and long-term level that will represent all the interested parties and will deliver strategic solutions in the following directions:

- Access to training and re-training programs for employees in the energy sector and related professions to prevent the negative impact of the green transition,
- Ensuring maximum autarky and energy independence for the region based on energy security, with emphasis on critical infrastructure and regional development, and social protection of populations and businesses.
- Promotion of energy saving initiatives throughout the whole spectrum of economic and social life and activities, in the public and private sector, for households and businesses.
- Tackling the problem of energy poverty that pervades a large part of the population and small business sector.
- On parallel, at the geopolitical level, a joint cooperation plan with neighboring and other countries in the region should be designed to exploit existing wealth resources and exchange know-how in order to accelerate independence on energy imports.
- Investment opportunities in the areas of network development, trade and energy cooperation should also be explored carefully. The strategic geographical advantage of the region is certainly linked to the development of energy networks and transit hubs, trade, tourism development and proper utilization of natural resources, which potentially lead to the adoption of a model capable of meeting the goals of sustainable development.
- It is considered necessary to make more intensive use of the existing tools and policies for the joint response to climate and environmental challenges, with the establishment of harmonized and effective civil protection and emergency response mechanisms.

The Economic and Social Council of Greece promotes in consistent manner an agenda of cooperation and networking between the countries of the Mediterranean region, with an emphasis on the special comparative advantages of them, such as the efficient use of solar and wind energy and other natural and energy resources, the exchange of know-how in the energy sector, the deepening of institutional relations, and of course the full utilization of the human capital which is found ample in the member countries. Equally important though is the repatriation those high skilled populations who have emigrated (reversal of brain gain).

Thank you very much.