

Policy brief

# Advancing Just Transition: German Labour Unions and Climate Policy

## Germany at a crossroads

Germany, Europe's largest economy and a major CO<sub>2</sub> emitter, intends to demonstrate that ambitious decarbonisation can go hand-in-hand with social justice. Yet, recent political decisions, including the dilution of sectoral climate targets, the planned development of 40 gas power stations, reconsideration of renewable energy targets, or the current government's push to repeal the EU's ban on combustion engines, signal a step back.

Coupled with a continuing reluctance towards providing the required scale of public investment, the rise of climate-sceptical populism and powerful industrial resistance, the country's self-image as a climate champion and its former leading role within the EU are faltering.

### **Brief:**

This brief sets out recommendations for enhancing workers' and trade unions' role in climate policy in Germany. The recommendations are based on findings from the multi-year research project "Just Transitions - a Global Exploration", based at the Leeds University Business School and funded by Hans Böckler Foundation.

### **Content:**

- Unions: Critical Agents of Change
- Union Strategy: State-Driven Eco- Modernisation
- Strong Just Transition Leadership
- The Global Perspective
- Policy Recommendations

### **Evidence base:**

25 interviews conducted between January 2023 and June 2024 with trade union representatives, NGOs, and net zero transition experts in Germany plus desk research and analysis of 100s of position papers, commentaries on Federal parliamentary bill proposals and press releases.

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## Labour Unions: Critical Agents of Change

German labour unions, embedded in the country's corporatist model, play a key role in shaping climate and industrial policy. They draw on a broad range of instruments to exert influence, but also face increasingly substantial challenges in the years to come:

- **Influence Channels:** Collective bargaining, works councils, advisory boards, and national consultations.
- **Union Dilemma:** Balancing protection of their members with broader social and ecological responsibilities.
- **Sectors at Risk:** The most heavily unionised industrial sectors (energy, steel, automotive, chemicals) are among the highest emitters and most exposed to disruption.

This has to be faced amid a broader economic downturn, 44% of German manufacturing companies anticipate jobs cuts in 2025, with more cuts expected until 2030. This highlights the urgency of labour-inclusive transformation strategies.

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## Current Union Strategy: State-Driven Eco-Modernisation

German Labour unions predominantly advocate a state-led transformation of industries in reaction not only to climate change, but also to the challenges of digitalisation and demographic change:

### Core Demands:

- Public investment in infrastructure and green tech.
- Subsidised training and upskilling for workers.
- Tying subsidies to collective agreements and production guarantees.

### Recent Successes:

- Establishment of regional transformation councils (Transformationsräte) as vehicles for corporatist co-development of regional transformation strategies and concepts.
- The new skills development benefit (Qualifizierungsgeld): state subsidised re-training and qualification short-time work scheme tied to collective bargaining agreements, enshrined in law on union initiative.

These reflect a pragmatic attempt at union renewal within Germany's institutional setup. However, this approach largely centres on national-level reforms and risks ignoring wider global issues.

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## Challenge: The Global Perspective

Union rhetoric often includes solidarity with workers worldwide, but this rarely translates into concrete actions. Current decarbonisation strategies rely on resource extraction from the Global South, leading to risks of:

- Labour exploitation and ecological damage.
- Economic dependency and technological inequalities.
- Obstacles to global climate equity.

While supporting the EU Supply Chain Act is a positive step, unions may need to go further: advocating fair resource governance and benefit-sharing, and ensuring that climate action abroad is not undermined by domestic policies.

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## Opportunities for Stronger Just Transition Leadership

Despite challenges, there are also promising developments:

1. **Red-Green Alliances:** New coalitions between unions and environmental NGOs signal potential for broader transformative alliances.
2. **Emerging Shift in Union Thinking:** Interviews reveal a slow, but notable shift among unions towards more systemic critiques of growth and production models.
3. **Framing the Climate Crisis as a Social Issue:** Unions have successfully contributed to broadening public discourse beyond a narrow focus on technical fixes.
4. **Rising Support for Wealth Redistribution:** Renewed interest in wealth taxation could provide fiscal space for more equitable transformation policies.

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## Policy Recommendations

### For German Labour Unions:

- **Deepen Global Solidarity:**  
Translate rhetorical support for global justice into actionable proposals, push employers to apply principles of fair and good work across supply chains.
- **Expand Alliances:** Continue to build lasting coalitions with civil society actors pushing for more bold climate action.
- **Push for Stronger Conditionalities:**  
Negotiate for subsidies and tenders to be based on principles of fair and good work, linked to collective bargaining and strong co-determination rights.
- **Promote Inclusive Narratives:**  
Frame climate policy as a fight for both social and ecological justice.

### For German Federal and Regional Governments:

- **Lift Fiscal Constraints:** Reform the balanced budget rule in its entirety to enable necessary investment. The planned €500bn over 12 years are insufficient to meet transformational demands.
- **Institutionalise Participation:**  
Expand and strengthen transformation councils and codetermination. This will boost worker support by democratising transformational processes.

- **Embed Equity in Climate Law:**  
Tie climate policies to strong labour standards and international fairness clauses. This helps integrate ecological and social concerns at national and international levels.
- **Support Union Renewal:**  
Instigate and back policies that strengthen collective bargaining and membership growth, for example conditionality of subsidies and public tenders on collective bargaining and employment guarantees.

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## Conclusion

Germany's unions are uniquely positioned to lead the socio-ecological transformation – but they should go beyond national pragmatism. A just transition must be both socially inclusive and globally just. For Germany to truly become a global climate leader, its labour movement must seek to embody that vision.



This project focuses on studying **Just Transitions** by comparing concepts, policies, and strategies across 14 diverse countries to ensure a **socially just shift towards decarbonisation**. It aims to develop recommendations for climate-friendly structural changes that protect workers and vulnerable groups. The project is funded by the Hans Böckler Foundation – Just Transition: Aktivitäten im internationalen Vergleich 2021-582-2.

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[Visit the website \(https://justtransition.leeds.ac.uk\)](https://justtransition.leeds.ac.uk)  
for further information about this project, including full case study reports, podcast episodes, and articles.

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