

## Opinion of the European Economic and Social Committee on 'Green jobs'

(2011/C 48/04)

Rapporteur: **Mr IOZIA**

In a letter dated 7 June 2010 Ms Joëlle Milquet, Deputy Prime Minister and Minister for Employment and Equal Opportunities responsible for migration and asylum policy, asked the European Economic and Social Committee, on behalf of the Belgian presidency of the Council and under Article 304 of the Treaty on the Functioning of the European Union, to draw up an exploratory opinion on

'Green jobs'.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 2 September 2010.

At its 465th plenary session, held on 15 and 16 September 2010 (meeting of 16 September), the European Economic and Social Committee adopted the following opinion by 142 votes to three with eight abstentions.

### 1. Proposals and recommendations

1.1 Since all sectors are called upon to contribute significantly to reducing greenhouse gases, the EESC points out first of all that it would be better to talk about the greening of jobs than green jobs.

1.2 The EU often sets itself ambitious goals but fails to identify necessary resources and instruments. In the case of 'greening of jobs', too, there has been much talk but few tangible initiatives have been taken. Commission, Council and Parliament should put together a European plan to promote green jobs, and the EESC warmly welcomes the Belgian presidency's initiative of making the issue one of its priorities. This is an extremely important response to the job crisis which is gripping the whole of Europe.

1.3 The EESC recommends that the Commission issue a specific Communication on promotion of greening of jobs, on the basis of the data analysis currently being carried out by the ESF Committee and the DG EMPL working document. The strategic importance of the issue is such as to warrant lengthy, in-depth debate.

1.4 The EESC firmly believes that the European Union has a major contribution to make to identifying common goals and instruments and helping Member States with less economic and technological potential to achieve the goals set, alongside the other Member States. Creation of greener jobs should be mainstreamed into all EU policies.

1.5 Using the Structural and Cohesion Funds to this end – once the real possibilities for their use and transfer have been defined – can certainly contribute to the huge amount of funds needed. A clear policy on the matter would help make the

prospects for creating green jobs more realistic. The next financial programming period (2014-2020) must take this urgent need into consideration and adapt the resources available in the various Structural Funds, taking a holistic approach and prioritising programmes' efficiency and effectiveness.

1.6 The European Social Fund (ESF) has a key role to play. To support the Europe 2020 strategy and its goal of 'smart, sustainable and inclusive growth', the ESF's role needs to be redefined and focused more on practical priorities which are in line with the new strategy. In June this year, the ESF Committee issued an opinion on the future of the ESF, asserting the need to channel the ESF into boosting employment, explicitly mentioning green jobs. The EESC does not feel it is essential to establish a sixth pillar of the ESF dedicated to green jobs, but rather to channel resources particularly into all activities which could help reduce the carbon footprint.

1.7 The European Globalisation Adjustment Fund (EGF) could be a useful tool for addressing the financial needs of programmes supporting vocational retraining, although it would have to be made more accessible – it is currently only available to businesses with at least 500 staff, and this minimum could be reduced to 50 staff.

1.8 The EESC believes that European sector councils on jobs and skills (ESCs) are an excellent idea that deserves support. They 'should provide crucial support in the process of managing sectoral changes ..., in particular anticipating ... employment and skills needs and adapting skills to supply and demand'. These ESCs should be based on the achievements of initiatives such as the European Qualifications Framework (EQF), the European Credit Transfer and Accumulation System (ECTS), the European Credit System for Vocational Education

and Training (ECVET), the European Quality Assurance Reference Framework (EQARF) and Europass, and contribute to their further development <sup>(1)</sup>.

1.9 Setting up a 'European sovereign fund' managed by the EIB, which already does excellent work in supporting energy efficiency initiatives, including contributing funding for initiatives undertaken under the Covenant of Mayors, could be one of the responses to currently almost irresolvable problems related to the huge difficulty of finding capital on the markets.

1.10 The EESC believes that a new *Marshall Plan* is needed for the environment and social sustainability, to achieve new development which does not affect the planet's ability to maintain its level of entropy – its 'ageing' – as unaltered as possible. An extraordinary European plan would, in effect, convey the idea of the radical changeover which will have to be tackled without delay, to produce a new type of growth, which is environment-friendly and sustainable and which achieves progress in line with the aims of the treaties. This could also feed into the discussions taking place on finding new indicators entitled 'Beyond GDP'.

1.11 It is extremely important to make the public aware of the need for a sustainable economic policy, providing accurate, timely information. A good example of support for public information is the Life+ programme – the EESC calls for this programme to be extended under the next Financial Framework (2014-2020) as well.

1.12 Managing the transition from the old to the new development model is certainly the biggest task, which will have to involve public authorities and the social partners at European, national and local level. Social dialogue between confederations and sectors should include specific projects anticipating the effects of the changeover on production systems in the various sectors concerned. Businesses need to build ongoing dialogue between the social partners and set clear objectives as regards skills needs, upskilling and anticipating developments. A serious impact-assessment policy is required as regards assessing energy and climate plans in connection with European and national legislation.

1.13 Policies for developing low-emission activities will bring many new job possibilities, but on the other hand they may cause many jobs to be lost in the transition. Adequate income support and retraining instruments should therefore be developed in good time. The role of the social partners and

local authorities is essential here. It is also vital to encourage R&D in order to find out where technological development is heading and which new areas of employment will emerge.

1.14 Budgetary policy has cut incentives and financing, in some cases drastically, causing a fall in employment, as has occurred in Spain in the wind and photovoltaic energy sectors. Public investment and the regulatory framework need to remain stable, with changes that are foreseeable and, where possible, agreed at international level, to allow stable planning in private businesses.

1.15 Research and development are the key pillars which continue to underpin the EU's growth strategy. The Europe 2020 programme for smart, sustainable and inclusive growth revives the target of investing at least 3 % of annual GDP in R&D.

1.16 At least 50 % of funds deriving from sale of ETS should be invested to support energy efficiency and promotion of the green economy. Resources should be transferred from the businesses most to blame for emissions to those which help reduce greenhouse gases. For sectors not covered by the ETS, such as road and maritime transport, alternative measures should be taken.

1.17 Promotion of green jobs – the EESC prefers the concept of sustainable jobs for a sustainable economy – must involve a combination of stick and carrot measures, along the lines of the ETS, providing the necessary resources without dipping significantly into the already-empty public coffers. The issue of funding will be crucial and requires all of the parties concerned to play the game, because the EU 2020 strategy and the aid programmes will not be able to work if the Member States' hands are tied in terms of their budget. Businesses which commit to better quality jobs and more sustainable production should be encouraged and supported. They require a clear, stable regulatory framework, ideally with internationally-agreed rules. Rapid, consensual resolution of the European patent issue would, of course, be a step in the right direction.

1.18 Public funds should be channelled first and foremost into support for those who will lose their jobs in the 'black jobs' sector – jobs which produce high levels of GHG emissions and pollution. A high proportion of these funds must be devoted to appropriate lifelong vocational training processes.

<sup>(1)</sup> OJ C 347, 18.12.2010, p. 1.

1.19 The EESC believes it would be useful to adopt the 'ECSC' model, which was used to manage an equally important transition – from coal to crude oil, taking into account, of course, developments which have taken place in the meantime. This model included close involvement of the social partners, which the EESC feels should play a leading role in the forthcoming radical changeover, and provided for sustainable aid plans.

1.20 There must be particular focus on equal opportunities in education and training for women, as well as pay and qualification levels. In particular, the ideas of basic education in the green economy and greening education should be introduced. Social dialogue must be a point of reference as regards lifelong learning concerning the green economy.

1.21 In the area of renewable energies, for example, although more or less as many women as men are employed in administration, the figure plummets when it comes to jobs requiring more specialist skills and the technical activities of installation and maintenance.

1.22 The EESC has emphasised in a previous opinion the role education and training have to play in a low-GHS-emission society. To this end, it has signed a cooperation agreement with Italy's Carlo Collodi Foundation concerning the Pinocchio project, to use the wooden puppet as a symbol in European energy- and environmental-education campaigns <sup>(2)</sup>.

1.23 The training must be provided by schools and public job services.

1.24 The gap between the skills required and available training needs to be closed, with tighter links between all those concerned. Ongoing, widespread local consultation councils are needed, bringing together the social partners' vocational training experts, public authorities responsible for employment services and representatives of regional and local authorities; they must work together to identify skills and training needs sufficiently in advance.

1.25 A European system for certifying skills could further encourage young people to turn to more sustainable activities, paving the way for a European labour market and making effective the right to free movement, the most glaring example of a right which is denied in practice thanks to the inadequacy and lack of harmonisation of education and training systems. The ESCO (European Skill, Competencies and Occupations taxonomy) project will be a key tool for matching demand and supply, particularly as regards 'new jobs'. The involvement of the EURES network (promoting intra-European mobility) would also be useful.

1.26 Businesses and trade unions have a responsibility to give direction to training activities and cooperate on an ongoing basis in order to achieve the best results. In many European countries this cooperation takes the institutional form of bilateral institutes or separate vocational training institutes cooperating continuously. These initiatives should be disseminated through a specific programme under the Europe 2020 strategy, which makes knowledge one of its three priorities.

1.27 Social and civil dialogue have a role to play. No radical programme of this kind can be implemented without involving civil society. The social partners can undertake ongoing 'greening' of all jobs. Energy efficiency and saving targets can be included in agreements negotiated between the social partners so as to distribute part of the real saving made in the form of collective bonuses. Several examples of this already exist in the United Kingdom and other countries.

1.28 Clear targets, widely-disseminated information, underlying social and political cohesion and consensus on the instruments to be used are needed to shift the whole of society towards a sustainable economy. The EU has an extremely important role to play in providing both supporting legislation – the climate package has, in practice, served as such – and, above all, a coherent method of dialogue and discussion to be applied at national and local levels. A strong common energy and environment policy is becoming increasingly urgent. The EESC has already stated its position supporting a European public energy service <sup>(3)</sup>. Given the great difficulties in the way of this, a system of closer cooperation between Member States in the field of energy is called for initially, maybe starting by interconnecting networks and gradually introducing smart grids, which can do much to resolve the issue of managing energy distribution. The EESC, the Italian CNEL (National Economic and Labour Council) and the French and Spanish ESCs are working on a joint proposal on this issue. With regard to growing use of renewable energies, we need not only to develop networks but also above all to solve the problem of storage.

1.29 The public must be convinced that they have a lot to gain from the proposal, which requires energies and resources to be harnessed that are as exceptional as the times we live in, and a gradual shift away from current consumer and development models towards other, more restrained models which are more respectful of nature and more human.

1.30 Informing and involving the public and associations have a key role to play here. Provided that it goes hand in hand with clear, transparent objectives, proper provision of information can yield remarkable results.

<sup>(2)</sup> OJ C 277, 17.11.2009, pp. 15-19.

<sup>(3)</sup> OJ C 175, 28.7.2009, p. 43 – OJ C 128, 18.5.2010, p. 65-68 – OJ C 306, 16.12.2009, p. 51-55

1.31 Adaptation policies must target businesses and public authorities as well as individuals, employees and managers. We have to do better with less. In terms of energy, that means reducing energy intensity (unit of energy per unit of GDP) and constantly improving the EROEI (energy returned on energy invested).

1.32 Business associations, particularly on the ground, have a key role to play, as they can disseminate information and a sustainable business culture. Establishing sustainable, integrated energy districts where major synergies can be developed, for example in cogeneration, requires coordination and assistance from associations in respect of both businesses and public authorities.

1.33 Geothermal power is a case in point. In Sweden, the development of geothermal power and regulation facilitating this was made possible by a decisive contribution from the business world and the wise decision of the public authorities to support wide use of heat pumps. There is a similar case in Lombardy (Italy), where legislation encourages businesses to use closed-circuit systems which are not harmful to the environment and provide very high EROEI.

1.34 The role of the farming sector in developing green jobs is of key importance. Localised power generation, use of biomass and cutting down on biocides and pesticides are the major challenges facing the sector.

1.35 A stable regulatory framework, extensive involvement of civil society, huge-scale harnessing of capital and intellectual resources, support for research and development, clear programmes in the areas of support for transition, education and training to create a low-emissions society, support for policies for environmentally-friendly mobility within and outside towns, launch of a huge-scale plan for a sustainable economy with sufficient backing from European funds, the creation of factors for a new form of growth – these are the key pillars of a European initiative aiming to support and promote a sustainable economy and ‘green’ jobs consistent with the European criteria for good work already defined by the March 2007 European Council.

## 2. Introduction

2.1 The Belgian presidency has asked the EESC to draw up an opinion on promoting useful job policies to facilitate a shift towards a low greenhouse gas emission economy, as this subject is to be one of the presidency’s priorities.

2.2 The EESC has adopted an own-initiative opinion on a similar subject – Promoting sustainable green jobs for the EU energy and climate change package<sup>(4)</sup>. This opinion completes the previous opinion and provides further details.

2.3 The public has realised that major changes to our development model are now essential.

2.4 To respond to the challenges of:

- energy efficiency programmes;
- climate change;
- the gradual depletion of available hydrocarbons;
- the need to increase energy independence;
- the need to gradually replace obsolete, pollutant electricity power stations;
- social, economic and environmental sustainability;

a long-term strategic programme needs to be drawn up addressing all the issues raised by this radical changeover.

2.5 These policies will have a significant impact on the job market. Construction, transport, energy and networks are the sectors which will be most affected, and they will have to make radical changes to their current production models.

2.6 The changes will pose serious problems in terms of adaptation, retraining and job and geographical mobility, especially in those countries which depend more on high GHG emission energy sources (e.g. crude oil, coal), with energy-hungry industries (e.g. cement, aluminium), in which availability of energy at sustainable prices is the main factor in economic survival for existing plant.

2.7 By 2030 over a million jobs are expected to be created in Europe, but these estimates need to be updated given the negative impact on growth of policies aimed at stabilising public deficit, which are holding back economic recovery. Thus far, the development of green jobs, particularly in the field of energy, has been supported by policies fostering renewable energies, in particular solar-photovoltaic, thermal and wind energy; in the road transport sector, hybrid, electric and gas-powered vehicles have benefited.

<sup>(4)</sup> See EESC opinion of 14 July 2010 on *Promoting sustainable green jobs for the EU energy and climate change package*, rapporteur: Mr Iozia), adopted at the plenary session of 14-15 July 2010.



2.8 Incentives both for new buildings and for renovation have played a very important role in developing a sustainable industry, which now has a clear idea of its future tasks but also of the job opportunities provided by renovation of public and private dwellings and high-energy-efficiency renovation of public buildings for administration and services and of offices and industrial premises.

2.9 A new form of competitiveness must be sought and encouraged. Innovative, greener products, cleaner production processes and more moderate consumption are the key to a new period of development and progress. Europe still aspires to be at the forefront of moves toward a zero-emission economy. To do this it must help industry to remain competitive, with a special focus on SMEs as they are most at risk of losing their place in the market. The Small Business Act should be put into practice, especially in the field of innovation.

2.10 The needs and requirements of businesses and workers should receive prime consideration (bottom-up). Rather than devising dirigiste (top-down) policies, the Commission should be more mindful of this and should gear EU strategies towards these requirements. The broad aim should be to establish factors promoting a new form of growth that is sustainable and environment-friendly, but which at the same time guarantees jobs and progress.

2.11 Information and exchange programmes on good practice (already adopted or to be adopted) should be set up with third countries such as China, India and Brazil in the context of bilateral and multilateral relations.

### **3. A sustainable economy, promoting green jobs**

3.1 If Europe wants to continue to have a future on the international economic stage, it must stay in the lead in developing renewable energies, although it is already being challenged by the precipitous growth of the Asian economies, particularly China and Taiwan. The new US Administration is seeking to close the divide and strengthen its huge potential with major investments in the energy sector. The recent events in the Gulf of Mexico, with the environmental disaster caused by the Deepwater Horizon oil rig, which ironically occurred on Earth Day, are speeding up decisions to shift to a sustainable economy.

3.2 The implications of addressing the challenges posed by climate and environmental policies in terms of skills required are huge. All sectors and all activities are potentially concerned by these policies. A huge operation is needed as regards planning, coordination, identifying priorities and finding the necessary funding. Above all, however, a good policy is needed, along with good technical capacity and a good level of human resources.

3.3 The labour market will be called on to take up the challenges posed by this changeover and, at the same time, to find new jobs for those employed in obsolete sectors and provide training in the new professional skills needed.

3.4 Public employment services must make every effort to cope with a transition which will affect hundreds of thousands of workers. High-quality vocational training programmes ensuring equal opportunities for women and men are essential. The public services will have an essential role to play in ensuring successful training, respect for equal opportunities and that people find a first job.

3.5 Private businesses must equally make every endeavour to support the technological leap that will be necessary to move from an economy whose main energy source is hydrocarbons to a low GHG emission economy, a sustainable economy.

3.6 SMEs, in particular, will need aid and support. Despite the good resolutions of the banking system, access to credit is becoming increasingly difficult and costly, and the situation of the capital market is certainly not such as to presage great availability of credit in the short term.

3.7 Jobs created in green economy must, by definition, be good, high-quality, adequately paid jobs. How can we ensure that this is the case? Only ongoing, continual dialogue between the social partners and public authorities can actually make it happen. Use of taxation, for example, can help preserve the balance of a system which will have to face tough competition from those exploiting current energy sources, who will not be willing to lose markets and profit.

3.8 Adding the whole cost of the changeover onto end prices is unthinkable, as is letting the full cost be borne by the taxpayer. At least in this sector, harmonisation of taxation in Member States is called for. The recent crisis of the euro is evidence, once again, of the need for greater harmonisation of taxes and taxation systems.

### **4. The role of the European Union: the Structural Funds**

4.1 DG EMPL has provided some interesting assessments in response to questions put to it by the EESC: these are summarised below.

4.2 Article 3 of the general regulation on the Structural Funds includes sustainable development among the Community's priorities and calls on Member States to incorporate this in their programmes by means of action to strengthen growth, competitiveness, employment and social inclusion, and to protect and improve the quality of the environment.

4.3 Article 3 of the European Social Fund regulation states that the Fund is to support measures for increasing adaptability of workers, enterprises and entrepreneurs, in particular by promoting the development of qualifications and competences and the dissemination of eco-friendly technologies.

4.4 It is not possible to quantify the many ESF measures that involve green jobs and the development of competences, as these are neither a priority nor a category of expenditure under Article 2 of the ESF regulation. Bearing in mind the extremely broad definition of green jobs (all jobs can be made 'greener'), the EESC does not think it necessary to create a sixth specific category for green jobs. Instead, it would ask the Commission to expand the guidelines on re-skilling and adaptation programmes.

4.5 It is difficult to imagine amending the existing operational programmes in the current financial programming period in order for the EU Funds to provide a sort of 'European Marshall Plan'. However, specific measures could be envisaged for the next programming period which, under the Europe 2020 strategy, could steer the various Structural Funds in the appropriate directions (ERDF and Cohesion Fund for infrastructure and housing, ESF for support for vocational training and re-skilling programmes).

4.6 The next financial programming period (2014-2020) could identify greening of jobs as a specific priority within ESF strategies, in addition to the horizontal principle of sustainable development, thus making it easier to promote the relevant projects more specifically and follow their implementation more closely. This is not necessarily the most effective option. The EESC thinks that all measures designed to reduce environmental impact and carbon footprint should receive cross-cutting support. All production activities and public and private services must play their part in cutting GHG emissions and bringing human-induced pollution to a more sustainable level.

4.7 The Commission is actively involved in R&D activities, in line with the commitments made by the EU. DG EMPL has recently launched a survey of the management authorities of ESF-funded projects relating to competences and greening of jobs, in tandem with a study on the ESF and sustainable development. These documents are to be disseminated and discussed within the ESF committee. The EESC hopes that they will be made public and will feed into an ad hoc Commission communication on green jobs currently being prepared by DG EMPL. This communication should look into the various possibilities linked to the 'promotion of green jobs', with a view to preparing related decisions in the next financial programming period.

## 5. Black jobs versus green jobs

5.1 The transition will also entail many job losses. The EU's new social market economy cannot abandon the workers affected. Re-skilling arrangements, income support measures and resources to support geographical mobility are among the initiatives needed. Social dialogue at European level between confederations and sectors, at national and at regional level must focus on steering the forthcoming changes in such a way as to achieve an inclusive development model.

5.2 A cooperative, participatory model is needed for industrial relations, which must set high, consensual targets to strengthen the economic system and make it increasingly sustainable socially and environmentally.

5.3 In addition to the new jobs, however, the old jobs will have to be fundamentally changed and all made a little 'greener', in other words sustainable. Energy-efficiency programmes should be introduced in all businesses and workplaces, both public and private. New awareness of the need for more restrained consumption will free up resources, which can then be used for other things. Trade union agreements on measurable targets and distribution of profits among businesses and workers could be a useful way of raising widespread awareness of the importance of saving energy.

## 6. Mobility within and outside towns

6.1 Under a policy to reduce GHG emissions, priority should be given to public transport – trams, buses, underground and rail services for transport outside towns. If people can be dissuaded from using their cars, particularly in towns and cities, there will be more jobs in public transport, which will have to be made increasingly clean. Electric buses and buses running on green hydrogen or low-emission hydrocarbons such as methane are already operating in the European capitals. Public authorities have a responsibility to prioritise these modes of transport in calls for tender, thereby encouraging the spread of clean transport.

6.2 The experiments of mobility managers in businesses have, in some cases, yielded significant results – these practices should be disseminated and made increasingly effective. Another role to be encouraged is that of 'green manager', tasked with reducing a company's environmental impact and emissions not only within the production cycle but also in offices, in transport of the goods produced, and when sourcing raw or semi-processed materials, opting for local solutions where possible.

6.3 The new Digital Agenda proposed by the European Commission can contribute also significantly to the green growth, green economy and greening of jobs. Tele-working could in many cases make jobs greener, considerably reducing the energy used in travel to and from work. The European social partners concluded a framework agreement on the matter a long time ago. The Commission should provide effective support for tele-working, with initiatives to encourage its spread. Information campaigns, conferences, studies on developing activities and good practice should all be scheduled as part of moves to cut emissions. While modern technology should lead to a huge number of professional activities being carried out at employees' homes, with the focus on quality rather than quantity of

work, the specific working conditions of these employees would have to be looked at.

#### **7. Civil society and promoting green jobs**

7.1 There is no doubt that civil society has an extremely important role to play if we are to succeed in meeting the challenge before us. The EESC firmly believes that if public authorities, starting with the European Union, do not do everything in their power to involve the social partners, giving them an active, proactive role, involving them in initiatives and projects, supporting them in their arrangements for building a sustainable economy, the results will not meet expectations and Europe will miss its appointment with progress once and for all.

Brussels, 16 September 2010.

*The President*  
*of the European Economic and Social Committee*  
Mario SEPI

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