



## **European Employment Observatory**

### **EEO Review: Promoting green jobs throughout the crisis, 2013**

#### **Greece**

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## **1. Introduction: employment in the green economy**

Greece faces a deep and protracted economic crisis. Its gross domestic product per capita in purchasing power standards fell from 94 % of the European Union average in 2009 to just 79 % in 2011, according to data by Eurostat. After Greek GDP per capita managed to climb from 84 % of the EU average in 1995 to 94 % in 2009, following 14 years of European integration, the country's output has now regressed to levels not seen for two decades within a period of just two years.

As expected, the crisis impacted the labour market. Greece's unemployment rate climbed to a record 26 % in September 2012. Unemployment in September was more than double the euro zone average of 11.6 %, edging past the rate in Spain, which was 25.8 % in the same month. Greece's jobless rate has almost tripled since it started climbing in September 2009, driven higher by the global financial crisis and then by severe austerity policies imposed in order to restore macroeconomic balance.

The net labour market effects of Greek environmental policies have not been assessed systematically. According to the OECD (OECD, 2009), estimates from 2004 indicate that the pollution management sector accounts for about 0.6 % of the Greek workforce; this is among the lowest share in Europe and well below the 2.5 %-3.2 % of the workforce in top countries (e.g. Austria, Denmark and Poland). According to another study (Ernst and Young, 2006), employment in Greek eco-industries fell by nearly 18 % in the period 1999-2004, paralleling the 8 % decrease in total turnover. In 2004, the turnover of eco-industries was about 1.3 % of GDP, one of the lowest in Europe. Solid waste management and recycling, wastewater treatment and water supply are by far the largest sectors (accounting together for 85 % of total eco-industry turnover), and are mainly driven by the large investments needed to comply with the EU legislation. Nevertheless, Greek businesses were found to gradually progress in corporate environmental management and development of green products; according to the aforementioned OECD study, Ecolabel licenses increased from 9 in 2001, to 23 in 2008.

Regarding employment projections, according to the Ministry of Environment, Energy and Climate Change, the broad Greek Strategic Action Plan for green growth (2010-2020) is expected to result in the (gross direct) creation of more than 210 000 jobs (including job retention in sectors such as construction), of which 27 000 will be permanent. The plan envisages a series of interventions, including the enactment of laws concerning forests damaged by fire, recycling and renewable energy sources (RES) and digital identification of buildings. The plan is structured in four pillars, as follows:

- i. **Combating climate change by moving to a competitive economy with low carbon consumption.** This pillar encompasses a series of policies which focus on improving energy efficiency; increasing the country's energy capacity through use of RES and natural gas; safeguarding energy supply; providing consumers with reliable energy products and services; and promoting environment-friendly production and consumption standards through 'Green Procurement'. The overall budget of the investments included under this pillar is EUR 31.8 billion, and it is expected that more than 169 000 jobs will be created.
- ii. **Sustainable management and protection of natural resources.** This pillar brings together actions centred on the protection and enhancement of biodiversity; the

management and protection of water resources and forests; and, planning for timely combating of environmental dangers and crises. The success of these actions will come through growth investment in technical projects and in projects to provide optimal utilisation of natural resources, as well as in restoration of the physical environment. The overall budget for the investments included under this pillar is EUR 2.3 billion, and it is expected that more than 11 000 jobs will be created.

- iii. **Enhancement of the quality of life, with respect for the environment.** The actions of the third pillar focus on enhancement of the quality of life of citizens through the promotion of sustainable development and the enshrinement of productive and social cohesion, with parallel safeguarding of protection of the environment. The pillar includes a number of major urban regeneration interventions in the capital and the regions. Also included are major actions to improve the urban environment, such as noise and pollution reduction, and to develop sustainable mobility, as well as the promotion of substantial investment in waste recycling and management. The overall budget of the investments included under this pillar is EUR 9.5 billion, and it is expected that about 27 000 jobs will be created.
- iv. **Strengthening of environmental governance mechanisms and institutions.** The fourth pillar of the programme seeks to strengthen environmental governance through a batch of actions in which the main elements are strengthening of the bodies and mechanisms of environmental governance, with institutional interventions and investments to strengthen the financial and human resources of the institutions. In parallel, the voluntary sector will be bolstered through information and awareness-raising actions, as well as through the organisation of financial assistance for volunteer actions. The overall budget of the investments included under this pillar is EUR 846.7 million, and it is expected that more than 2 400 jobs will be created.

## **2. Selection of green employment promotion strategies and programmes with low-carbon / environmental objectives or activities**

Greece does not have a detailed environmental employment strategy, but various policy initiatives have been taken in order to stimulate employment in environment-related sectors.

The environmental dimension was integrated into some recent programmes related to the labour market, such as the Operational Programme ‘Human resource development’ 2007-2013 (partly funded by the European Social Fund). More concretely, the third Priority Axis of the Operational Programme, entitled ‘Promoting access to employment’, envisaged one measure in support of green employment: training of unemployed persons in the fields of green professions.

The Manpower Employment Organisation (OAED) promotes training and employment programmes in various domains, to improve professional qualifications of workers and support vulnerable groups (e.g. women, young people, long-term unemployed, migrants) in accessing the labour market. Prior to the crisis, OAED carried out several training and employment activities specifically targeted at the environment, including:

- Financial assistance (up to EUR 9 000) to the unemployed to create small enterprises in the fields of culture and environment (e.g. bookstores, production and sale of

traditional products, landscape gardening, waste recycling). The programme addressed nearly 6 500 unemployed.

- Financial incentive to environmental businesses (e.g. recycling companies, pollution control companies) to hire the unemployed.
- Training programme in the field of environment, which offers 3 000 young unemployed training in local government agencies and non-governmental organisations.
- Financial support scheme to local government agencies to employ 6 000 workers in reforestation and flood control projects in the areas damaged by the 2007 forest fires. The programme budget was EUR 64.8 million.

Mention should also be made to a number of environmental employment projects supported within the framework of the EU Community Initiative EQUAL (for the promotion of equal opportunities in accessing the labour market), including: *i*) the development partnership ‘Green Amphiktion of work’ (EUR 1.5 million and 238 participants), supporting the entrance of vulnerable groups into the labour market; *ii*) the partnership for the development of a life-long learning system in environmental fields (EUR 1.9 million and 200 participants); *iii*) the partnership ‘Bio Breed’ (EUR 1.5 million and 400 participants) for the development of organic livestock farming; and *iv*) the Thessaly and northern Aegean development partnership ‘Social and vocational rehabilitation in recycling’ (EUR 1.2 million and 20 participants), which supports the creation of companies specialised in the recycling of electric and electronic waste.

### **3. Detailed description of practices**

As noted in the previous section, Greece is one of the countries without a specific environmental employment strategy, something that is probably explained by the limited experience in the area. One recent exception to the absence of specific green active measures however, has been the implementation of a training and employment programme devoted to green occupations.

The programme, entitled ‘Training for the unemployed and employment in green professions’ was implemented as part of the ESF co- financed Operational Programme ‘Development of human resources 2007-2013’. It began in October 2011 and will be completed by the end of 2013. The responsible body for administrative and operational support of the programme is the Ministry of Labour, Social Insurance and Welfare.

The programme primarily involves continuing vocational training in the so-called ‘green’ professions in most sectors of economic activity, including: crop and animal production; aquaculture; forestry; mining and quarrying; manufacture and construction; trade; transportation and warehousing; leisure and hospitality. The basic objective of the programme is the prevention of skill gaps, something which could cause the expansion of green activities to slow down.

The programme targets 7 500 unemployed workers. Priority is given to young persons, women, the long term unemployed and to the unemployed from the so-called vulnerable groups of the labour force (disabled, ex-detainees, ex-substance users, immigrants, asylum seekers, ethnic and religious minorities, etc.). All programme participants must be holders of

a valid unemployment card. Certain university graduates (e.g., engineers) are exempted from this rule. For the latter, registration with certain professional associations is obligatory, depriving them of the status of being considered unemployed.

Trainees are organised in courses comprising of 10-25 workers. The duration of the training provided ranges between 400 and 800 training hours and consists of theoretical and practical training. Theoretical training takes up 20-50 % of the total training time and practical training 50-80 %. Certain training subjects, such as workplace health and security, basic labour law principles and job search techniques, are mandatory. Most training courses are open to holders of secondary education certificates, while several require university training. The training activities are organised and executed by the Centres for Vocational Training (KEK), which are public and private training institutes, accredited by the national accreditation authority for standards and quality of services. It is estimated that approximately 400 training courses were organised and executed within the frame of the programme.

Practical training takes place in nearby private sector enterprises, operating in a field relevant to the training provided. Following the successful completion of the practical training, enterprises are obliged to provide each trainee with a letter of recommendation. In addition, collaborating enterprises are obliged to recruit at least 30 % of the ex-trainees and keep them employed for at least three months.

Trainees are entitled to a training allowance, irrespective of whether they are entitled to regular unemployment benefits. This allowance amounts to EUR 4.85 for each training hour and to EUR 5.35 in the case of unemployed who belong to vulnerable social groups. Food expenses are also eligible for funding, as are other costs associated with the provision of training (e.g., transportation and lodging). Finally, throughout training, participants are covered for occupational accidents by the Social Insurance Fund (IKA).

The budget of the programme amounts to EUR 94.6 million and is financed out of EU and national resources. The majority of the budget and training places have been reserved for the eight poorer regions of the country, namely Anatoliki Makedonia-Thraki, Thessalia, Dytiki Ellada, Peloponnisos, Ipeiros, Boreio Aigaio and Kriti (EUR 52.3 million, 4 147 beneficiaries). The central regions, including Attiki (the capital region), Kentriki and Dytiki Makedonia were allocated the amount of EUR 38.4 million (3 047 beneficiaries), while the more prosperous regions of Sterea Ellada and Notio Aigaio received EUR 3.9 million (306 beneficiaries).

As this programme is still running it has not been evaluated. A full scale evaluation is scheduled for later this year with the view to providing insight and useful conclusions regarding efficiency and impact.

Apart from this programme, the Ministry of Labour is currently implementing various sectoral continuing vocational training programmes. Even though these programmes are not 'green specific', they nevertheless entail a considerable green component. In this respect, noteworthy training has been identified in the field of construction and technical works (317 training courses, 7 000 participants at a cost of EUR 89.6 million) and in tourist related activities (3 600 participants, EUR 45.4 million).

In the field of environmental education and training the Ministry of Education and Religious Affairs has promoted several environmental initiatives at school level, as well as specific

training programmes for educators and adults. The activities are financed in the frame of the Operational Programme 'Education and lifelong learning 2007-2013'. The budget of the measure amounts to EUR 3.5 million, which represents ESF assistance and national resources.

Programmes generally last from two to six months; they are included in ordinary school hours in primary education, and represent an extra-curricular activity in secondary schools. Since 2007, 2 930 programmes of environmental education have taken place in primary and secondary schools, with the participation of 9 444 schools and 257 943 pupils. In addition, the operation of 67 Centres of Environmental Education (CEE) has been financed. These centres offer targeted environmental education programmes (e.g. for students, employees, teachers and educators), providing accommodation and learning facilities (e.g. laboratories, computer halls, and libraries), and develop environmental education guidelines, teaching and study material. Up until the end of 2013, 128 000 adults (25-64) are expected to benefit from the provision of environmental awareness and training actions.

#### **4. Conclusion**

The last four years have been particularly hard for Greeks, as the economy is suffering from a serious and protracted recession. Since the beginning of the crisis (2008), private consumption has fallen sharply due to falling incomes and a decline in consumer credit. As the recession unfolded, labour market conditions have deteriorated dramatically. Resolving these problems and promoting economic recovery requires policy action on a broad front and the Greek Government has embarked on an ambitious plan to sustain fiscal consolidation, to stabilise public finances and to reassure markets. But the path to recovery appears to be slow and painful for Greek citizens.

The improvement of the conditions in the labour market depends upon general policies designed to bring about a broader economic recovery. These policies are largely outside the reach of labour market authorities. In spite of this however, a well-designed package of labour market policies has an important role to play, as a supportive instrument for economic recovery. More concretely, a well-designed package of labour market policies can minimise the long-term costs of high unemployment and help to lay the foundation for a return to high employment rates, rising earnings and sustainable growth.

In Greece, the transition to green growth has not yet been the subject of debate or social dialogue among the Government, social partners or the wider general public. Furthermore, the potential synergies between policies to promote a transition to green growth and policies to promote employment have not been explored so far and do not form part of the national recovery strategy.

In contrast to Greece, other countries have recently strengthened investments in green activities and this policy appears to have played a significant role in boosting demand and economic recovery (OECD, 2012). Yet, investing in green technologies and industries would currently seem to be outside the reach of the Greek Government, on account of the current public finances.

Even so, it is to be expected that the transition to green growth entails substantial gains for job creation and employment. In a recently published study by the Labour Institute (INEGSEE, 2011), it is predicted that from 2010 to 2020, green investments will result, on average, in an

annual employment increase of 94 464. As far as employment is concerned, the sectors of activity predicted to be the most affected, include: construction, machinery and equipment, distributive trades and car maintenance.

Reaping the potential gains from green growth will crucially depend on a number of prerequisites. First, Greece must develop a working definition of green jobs for collecting statistical data. Without the proper identification of the key green jobs, policy decisions will be surrounded by uncertainty. Second, an effort must be made to identify and keep track of hiring needs and associated skill requirements. The transition to green growth is bound to reshape the skills mix in demand and empirical information is needed so as to prevent gaps and address bottlenecks. Currently, the capacity for monitoring changes in skills is limited in Greece and needs to be strengthened, as a matter of priority. Finally, green-friendly policies need to go hand-in-hand with labour market policies, so as to avoid putting a brake on the expansion of green growth (OECD, 2012). As for green-specific active measures (continuing training and employment incentives), these would appear useful in the case of emerging new specialisations (e.g., energy auditors and waste recycling workers). Indications suggest that demand for these specialisations might outweigh supply in the coming years. A more general need however would be to adjust the curriculum of secondary level vocational education and post-secondary initial training, so as to incorporate more green elements and thus facilitate the ‘greening’ of existing occupations.

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