



# Greening the European economy: Responses and initiatives by Member States and social partners

## Executive summary

### Introduction

It is increasingly recognised that climate change will have an impact on the labour market: some regions, sector, companies, occupations and skill groups will be adversely affected, while others stand to gain. Social partners and governments, therefore, have a vital and joint role to play when it comes to facilitating the transition towards a 'greener economy': in anticipating and promoting the required skills to avoid structural unemployment, supporting efficient technologies and green start-ups, and targeting public funding for measures to reduce the environmental burden – just to mention a few such initiatives.

This report examines the responses and initiatives undertaken by national governments and the social partners in the EU Member States plus Norway in working towards a greener economy and in maximising the job creation potential of this new area. The findings are based on evidence provided by the EIRO national centres of the European Foundation for the Improvement of Living and Working Conditions (Eurofound). The first part looked specifically at national recovery packages which include green aspects, showing how Member States have set up governance structures and platforms for bi- and tripartite debate to deal with the green agenda and charting the growing awareness of the importance of reducing carbon dioxide (CO<sub>2</sub>) emissions and developing alternative energy sources. The scope of such initiatives includes renewable energy production (including tidal, solar and wind power), energy efficiency, sustainable transport, water supply, waste management and sustainable agriculture. The report also identified several innovative initiatives that can be shared and disseminated as good practice examples.

### Policy context

The institutions of the European Union have been active in recent years in putting in place a policy strategy for the green economy which sets out a framework for the actions of individual Member States. A central green target is the

European commitment to reduce CO<sub>2</sub> emissions to 20% below 1990 levels by 2020. The European Sustainable Development Strategy sets out the long-term strategy and has been mainstreamed in many other EU strategies (such as the Employment Guidelines and the Social Agenda). Following this, most Member States have set up their own national sustainable development strategies. The European Recovery Plan endorsed by the heads of state and government in December 2008 sets out the strategic aim to speed up the shift towards a low-carbon economy. More recently, the European Commission has outlined its position in a White Paper issued in April 2009, entitled 'Adapting to climate change: Towards a European Framework for Action'. At a multinational level, the 'Green Jobs Initiative' is a tripartite policy messages from employers, trade unions and governments to promote environmentally sustainable jobs and development in a climate-challenged world.

### Key findings

Whereas overall the report shows that governments and social partners in most countries are active in trying to promote the 'green agenda', the level of engagement, mobilisation and the existence of structures of governance and for joint debate varies. The same is true with respect to what is perceived as being 'green' in Europe (i.e. nuclear power, car scrapping, organic farming).

One of the major initiatives introduced by many national governments in recent years is the scheme whereby people are given financial incentives to scrap older cars. However, considerable debate has been generated regarding the environmental merits of these schemes, and over whether they do more to support the car industry than to promote the green agenda.

The recession has knocked green issues off the agenda in some Member states, while others have used their recovery packages to promote the transition to a low carbon economy.

A good practice example of a green collective agreement as part of the Belgian recovery plan is the 'ecocheque': a wage premium, granted under certain conditions with social tax exemptions, designed to encourage the purchase of environmentally-friendly and sustainable consumer goods. These ecocheques are considered as a bonus from the employer, however, in practice they are used in the collective bargaining process to counter trade union wage demands in an indirect way by offering such 'soft' wage increases. Both employers and workers benefit from the tax exemptions.

Another illustrative case is the collective agreement signed by Italian social partners and management, where the sale of an Electrolux factory in Scandicci to an Anglo-American Investment Fund will result in a change from the production of small refrigerators to the production of solar panels and wind vanes. The agreement stipulates that by 2010 the plant will hire at least 370 of the 450 employees currently working there.

The social partners across Europe are engaged in a variety of actions – including the issuing of policy statements, the organisation of conferences and workshops to discuss green issues, and the creation of training programmes to ensure that members acquire the necessary skills. In some countries, where the social partners are less active, initiatives are often led by NGOs.

Differences are evident in the approaches of employer and employee representatives, with the employers more focused on ensuring that they remain competitive in the green economy. Employer actions are also often driven by compliance issues, particularly with environmental legislation. Furthermore, employer initiatives in the environmental area are often embedded in general corporate social responsibility strategies. In contrast, trade union organisations often tend to carry out lobbying and campaigning initiatives, targeted at governments and the business community.

The skills shortage is an issue that has been highlighted at European level, and also in certain countries. In an effort to bridge this gap, the UK social partners, particularly on the employer side, are actively engaged in the promotion of strategies to increase the level of skills required in the green economy. In Italy, universities and private training providers are developing courses to develop the skills that will be needed by workers in the future green economy.

## Policy Pointers

- Governments, trade unions, employers and other stakeholders around Europe are largely in agreement that the green economy has the potential to create a significant number of jobs in the future. One of the main challenges is how to harness the potential of this area and to use it to revitalise economies that are suffering from the recent economic crisis.
- With only few exceptions, the report shows a clear East-West and, although to a lesser extent, a South-North divide when it comes to the level of engagement and mobilisation of social partners and governments and the contents of initiatives, which reflects the diversity of the national priority list.
- The Belgian ecocheque and the Italian restructuring case are good examples of how social partners can impact and foster the transition process with their traditional tools of collective bargaining and agreements.
- The green agenda is also expected to re-shape the contents and forms of social dialogue. It is possible that there will be some reconfiguration of the main actors and social dialogue processes. At the same time, new processes and structures may be created in order to debate the emerging employment issues related to the growing green economy.
- It is necessary to take a long-term view of the issue, as the green economy is not a quick-fix solution that will help countries in the short term. Changing to alternative energy sources and limiting CO<sub>2</sub> emissions, while ensuring that economies remain competitive and workers' skills remain up to date, will require careful and long-term planning and a sound policy framework. EU policy can work as a catalyst in this process.

### Further information

The report on *Greening the European economy: Responses and initiatives by Member States and social partners* is available at <http://www.eurofound.europa.eu/publications/htmlfiles/ef0972.htm>

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