



European Foundation  
for the Improvement of  
Living and Working Conditions

# Industrial relations and sustainability:

## The role of social partners in the transition towards a green economy

### > résumé <

*'There are compelling reasons to fundamentally rethink the conventional model of economic progress (...) What is needed is an economy that can secure growth and development, while at the same time improving human well-being, providing decent jobs, reducing inequalities, tackling poverty and preserving the natural capital upon which we all depend. Such an economy – a green economy – offers an effective way of promoting sustainable development, eradicating poverty and addressing emerging challenges and outstanding implementation gaps.'*

European Commission Communication, *Rio+20: towards the green economy and better governance*, COM (2011) 363 final



### Greening the economy – the European policy context

An increasingly important aspect of EU policy making is that of 'greening' the economy, in the face of an urgent need to mitigate and adapt to climate change. Greening the economy means producing products and services with less energy, fewer raw materials and with reduced carbon emissions. It applies to all economic activities in all sectors and includes workers and consumers in its scope.

Clearly, however, greening the economy – as with any form of technological change – will bring all kinds of changes to the economy in general, to certain industries in particular and will impact the labour markets. New jobs will be created and others will disappear, and the content and skills set of many existing jobs will have to change. Moreover, since new jobs will not (necessarily) come into being where others disappear, this process of change may well mean a 'reshuffling' of employment opportunities for individuals, companies, sectors, regions and nations.

In order to kick-start and foster a process of greening, governments have a crucial role to play in incentivising the switch to 'clean' technologies and more environmentally friendly forms of working, work organisation and consumption (all of which might initially mean higher costs).

There are a growing number of political initiatives in the EU Member States aimed at mitigating climate change and coping with its consequences, spurred by the European Commission's climate and energy package. A key part of this are the '20-20-20' targets.

As the European Commission website makes clear, these specify three key goals:

- reducing EU greenhouse gas emissions to at least 20% below the levels of 1990;
- generating 20% of the EU's energy needs from renewable resources;
- a 20% reduction in primary energy use compared with projected levels, to be achieved by improving energy efficiency. (European Commission 'Climate Action' website)

These targets set the broader policy context, and several proposals are set out for action plans in relevant policy fields – for example, the launch in September 2010 of a proposal for the first European plan for the creation of jobs in 'green' sectors and for the greening of the economy and the labour market.

To the extent that jobs, job content and working conditions will be affected by the transition towards a green economy, social dialogue is an important tool in the process because of its potential to bring about mutually beneficial outcomes in a context of potential conflict. For the European Commission, social dialogue is a crucial factor in the process, because it can help guarantee support for the transition to a more sustainable and environmentally friendly industrial policy. The political and economic idea of greening the European economy must include both social partners – employers and trade unions – if it is to be successful. Both parties have an interest in a successful outcome: for employers, the transition to a green economy presents business opportunities; for unions, a key motive for participation is to maintain

## Key findings

Table 1: Good practice in greening the economy

Initiative	Type of initiative and objective	Instruments
<p><b>UK</b></p> <p><b>GreenWorkplaces</b></p> <p><b>National level, implemented at the workplace</b></p> <p><b>Launched</b> Mid 2006</p>	<p>The underlying principle of this project is that every workplace can be turned into a green workplace and contribute to protecting or improving the environment.</p> <p>Objectives:</p> <ul style="list-style-type: none"> <li>• to build capacity to tackle climate change issues at work;</li> <li>• Ensure good practice in workplace environmental activities;</li> <li>• implement environmental training for workplace green representatives;</li> <li>• raise awareness;</li> <li>• boost workforce participation</li> </ul>	<p>Based in the workplace: both workers and management cooperate to secure energy savings and reduce the environmental impact of the workplace.</p>
<p><b>Germany</b></p> <p><b>Network Resource Efficiency</b></p> <p><b>Cross-sectoral, implementation at sectoral and at workplace level</b></p> <p><b>Launched</b> March 2007</p>	<p>This project seeks to link the ecological aim of boosting resource efficiency in resource-intensive sectors with the social objective of preserving jobs.</p>	<p>Workplace-based training initiatives, conferences and workshops, sectoral social dialogue</p>
<p><b>France</b></p> <p><b>Jointly approved collection agency (OPCA)</b></p> <p><b>Implementation at sectoral level</b></p> <p><b>Launched</b> 2008</p>	<p>To ensure a level of skills in new green technologies among employees in the construction sector</p>	<ul style="list-style-type: none"> <li>• Within the system of OPCAs, the French social partners at sectoral level jointly manage sectoral training needs. OPCAs collect money from companies to fund green training programmes for workers (a mandatory levy in France), the OPCA deciding on the use of funds.</li> <li>• A construction industry training system jointly managed by social partners</li> </ul>
<p><b>Romania</b></p> <p><b>Euroeneff</b></p> <p><b>Implementation at sectoral level</b></p> <p><b>Launched</b> October 2008</p>	<p>Euroeneff is a transnational initiative dedicated to training the construction sector workforce in energy-efficient technologies.</p> <p>It aims to develop a multimedia guide to energy efficiency in building renovation for the trainers and teaching staff of the vocational schools and to improve the professional skills of the workforce, so making the sector more competitive.</p>	<p>A multimedia guide available online on energy efficiency of buildings; dissemination of European best practice in regard to the use of environmentally friendly technologies (for renovating buildings, using materials, boosting insulation and health and safety requirements for workers)</p>
<p><b>Belgium</b></p> <p><b>Eco-vouchers</b></p> <p><b>National level bargaining – implementation at employee level</b></p> <p><b>Launched</b> July 2009</p>	<p>The initiative aims to boost the purchasing power of employees while promoting the purchase of ecological products and – indirectly – stimulate employment in the longer term. Eco-vouchers are part of a system to incentivise the transferring of social benefits to workers as part of the remunerations and wage policy.</p>	<p>Eco-vouchers are purchasing vouchers for certain environmentally friendly and sustainable consumer products (listed as ‘green’) given to employees by their employers and exempt from social security contributions.</p> <p>Eco-vouchers are stipulated in the Collective Agreement n°98 of 20 February 2009 concluded in the National Labour Council.</p>

Examples of outcomes	Main initiator/other actors	Financing
<p>Joint management–union environmental committees with framework agreements that embed practical goals to secure energy savings and reduce the environmental impact of the workplace</p>	<p>Main initiator: Trades Union Congress (TUC)</p> <p>Companies, unions, and employee representatives</p>	<p>Fundraising, including from trade union affiliates, or Union Modernisation Fund</p>
<p>A key outcome is social partnership-based sectoral dialogue in the aluminium industry and the launch of the training project 'Resource Efficiency at the company'; this seeks to train works council members and employees to identify and implement ways to improve energy efficiency.</p>	<p>IG Metall (trade union) and Federal Ministry of the Environment</p> <p>Sectoral employer associations, researchers, companies and works councils</p>	<p>Ministry for the Environment (BMU), and participating companies</p>
	<p>The jointly approved training fund collection agency for the building industry</p> <p>Joint organisation of social partners</p>	<p>The financing of training by companies is mandatory in France.</p>
	<p>CMC – Joint organisation of social partners in the Romanian building sector</p> <p>European project led by the Bulgarian Construction Chamber, together with Romanian, Spanish and Dutch partners</p>	<p>Through the EU's Leonardo da Vinci programme</p>
	<p>National Labour Council (CNT) – Joint body</p> <p>Actors for further implementation: companies and employees</p>	<p>Tax deductions, and a net rise in wages for Belgian workers; an annual wage increase</p>

employment and good working conditions in the transition towards a green economy.

At national level, almost all Member States have developed sustainable development strategies, and several countries have set up bodies, institutions or structures – some of which are tripartite – to deal with green issues and the transformation of the economy to a more sustainable form. Over the last 10 years, social partners have become notably more positively inclined to take the issue of environmental protection seriously. Social partners in most Member States are now actively involved in addressing green issues and in promoting green policies, albeit to varying degrees.

## Research in brief

Eurofound research has set out to provide social partners with examples of how to support the transition towards a green economy, through studying examples of good practice of social partner involvement in different Member States, within different contexts of industrial relations and at different levels of involvement. One of the main criteria for selecting a company as a case in the present research was that the social partners take an active role in implementing the measure. Other criteria included the geographical spread, the spread of types of initiative, innovation in the implementation and the potential transferability of the initiatives. As of early 2011, all the projects are still recent, most being in a first pilot phase; hence, they have not yet been extensively evaluated.

The good practice cases show how broad the mixture of approaches for greening the economy can be. They differ in their goals, structure, level of implementation and financing. For example, the Network Resource Efficiency project in Germany, co-funded by the Ministry for the Environment and trade union IG Metall, has created a framework that has led to a sectoral partnership in the aluminium industry. The GreenWorkplaces project in the UK is following a different approach, based on a voluntary partnership between trade unions and employers with only very limited financial means. The eco-vouchers scheme in Belgium tries to make use of consumer decisions, linking them with a social partner agreement (the introduction of the vouchers having been stipulated in a collective agreement negotiated by an institutionalised social dialogue body).

These initiatives point to the possibilities that exist for the social partners to create projects and campaigns to support a more sustainable economy. Of course, the projects have to fit within each country's system of industrial relations and the national debate on greening the economy. As the examples show, the level of implementation varies significantly, ranging from the level of the individual in Belgium to the sectoral level in Romania and France and to the national level in Germany. What also needs to be borne in mind is that systems of industrial relations differ widely between Member States. While they are sectoral and regional in Belgium and Germany,

they tend to be highly centralised in France but decentralised and rather conflictual in the UK.

## Seeking gains for all partners and the environment

'Cutting back on resources is better than cutting back on people': this statement from a German stakeholder expresses how environmental and social goals might be mutually reinforcing. Social partners are more likely to cooperate in environmental protection – which is a largely voluntary undertaking – if a win-win outcome is visible for all. For example, social partners cooperated in the jointly approved education fund OPCA in France, and the training plan Euroneff in France and Romania, in order to avoid skill deficits. Had the training not been provided, employers would have suffered the lack of trained workers, while employees would have suffered the lack of qualifications to make them more employable. The GreenWorkplace projects in the UK, while seeking to protect the environment, also sought to make cost savings that contributed to preserving jobs in the companies taking part in the project. In Belgium, the eco-voucher scheme offered income benefits for employees. In Germany, the Network Resource Efficiency project relied on cooperation between associations to boost information exchange among companies; this led to job-preserving cost savings, while at the same time boosting the capacity of workers to exercise their judgement and skills by identifying ways to improve energy efficiency.

## Trade unions' positions and initiatives

The involvement of trade unions in environmental issues – and climate change in particular – has increased noticeably in recent years in the five countries examined. They are demanding a voice as political actors and see themselves as fully fledged partners in the greening process. Among the trade unions, no clashes were observed between social and ecological interests. This can be attributed to the fact that what is being proposed more largely is the greening of the entire economy, which neither pits workplaces against each other nor threatens core trade union membership (which is concentrated in older, traditional industrial sectors).

Unions are active at either the national, sectoral, plant-level or individual level and exist in different systems of industrial relations and legal frameworks. Unions are active in greening the economy in a number of different ways:

- taking part in political debates on green topics in a bilateral or multilateral manner with the state or with employers and employers' associations;
- producing publications that specifically address green issues;
- arranging training courses for green skills for employees or employee representatives;
- organising ways in which individual employees can design environmentally friendly workplaces, thereby improving workers' involvement in and commitment to green topics.

Table 2: Structures of social dialogue and greening the economy

Country	System of industrial relations	Structures of social dialogue for green issues
<b>UK</b>	<p>Often conflictual relation between social partners; industrial relations are characterised by little regulation.</p> <p>British union movement is characterised by a multitude of individual unions with diverse origins and structures, making the implementation of joint actions difficult.</p>	<p>Discussion is characterised by a neo-liberal economic context that places focus on voluntarism.</p> <p>World’s first Minister for Corporate Social Responsibility (CSR) to provide guidance and support best practice</p> <p>Government created a Trade Union Sustainable Development Advisory Committee (TUSDAC) in 1998, to provide input on the government policy process on sustainable development</p> <p>Government initiated a ‘Forum for a Just Transition’ in July 2009 (with social partner involvement) to advise on the economic and social transition to a low-carbon future. This closed in 2010, but is being replaced by a new tripartite body, the Green Economy Council.</p> <p>Elected staff in companies – green representatives – have responsibility help companies reduce carbon emissions.</p>
<b>Germany</b>	<p>Established structures of codetermination and social dialogue; government considers important the participation of economic interest groups in the political process, resulting in social partner involvement in many decision-making processes.</p> <p>The Works Constitution Act and the Co-determination Act give a legal framework for plant-level and board-level co-determination</p> <p>Social partners negotiate branch level or company level collective bargaining agreements (Collective Agreement Act).</p> <p>Employers and employees also interact bilaterally</p>	<p>A broad acceptance of the need to move towards a more sustainable economy, with a focus on climate change and resource efficiency in order to make Germany the most resource-efficient country in the world</p> <p>Revision of the Works Constitution Act in 2001 led to the enlargement of the works councils’ responsibilities to environmental concerns.</p> <p>Several environmental dialogues are ongoing, with the participation of social partners and state – among them the Alliance for Work and the Environment, the Council on Sustainable Development and the National CSR Forum.</p>
<b>Belgium</b>	<p>A strong tradition of social dialogue, which is often seen as a benchmark for social dialogue in the EU</p> <p>Negotiations on intersectoral collective agreements at the national level take place every two years.</p>	<p>The social relations institutions responsible for sustainable development and green economy-jobs issues are intermeshed; federal bodies have regional, sectoral and interprofessional chapters.</p> <p>Bodies for sustainability and environmental issues – the Federal Council for Sustainable Development (CFDD), the economic and social consultation bodies, the Central Council of the Economy and the National Labour Council (CNT)</p> <p>Ad hoc social consultation initiatives on sustainable development and green growth issues</p> <p>Various initiatives with social partner participation in construction, for instance, including a project reduce carbon emissions – the ‘Clean Developments Mechanism’</p>

Table 2: Structures of social dialogue and greening the economy (contd)

Country	System of industrial relations	Structures of social dialogue for green issues
France	<p>A balanced system of industrial relations: negotiation between social partners at the intersector level and at the branch-level of all companies with union representatives or elected employee representatives</p> <p>Tripartite negotiations: a systematic consultation of social partners is stipulated in the Law on modernising social dialogue 2007, which must take place before government can pass any reforms on individual and collective industrial relations, employment or vocational training.</p> <p>Institutionalised system of the parity principle (<i>paritarisme</i>) in social security agencies, industrial tribunals, social welfare boards: this implies strictly joint decision-making mechanisms in which differing interests carry equal weight.</p>	<p>Government created the 'Grenelle de l'Environnement' roundtable in July 2007; for the first time political, social and civil spheres were brought together to discuss environmental issues. This resulted in a new sustainable development strategy for 2010–2013 being adopted in July 2010; also created were the National sustainable development and 'Grenelle de l'Environnement', committee and a new organisation – the Ministry of Ecology, Sustainable Development and Housing.</p>
Romania	<p>Fragmented representation on both employer and trade union side</p> <p>Advanced bipartite cooperation at sectoral level</p> <p>Government set up a Standing National Commission in 2003 to draw up the Romanian sustainable development strategy to 2030.</p> <p>Tripartite dialogue arrangements exist – for example, for drafting the economic stimulus package in 2009 with some environmental aspects.</p> <p>The Social Dialogue Commission of the Ministry of Regional Development and Habitat has led to the adoption of energy efficiency technologies in the public building sector.</p>	<p>Active social partner involvement in sustainable development issues in recent years at bilateral level</p> <p>Strong bipartite cooperation in the construction and building material sectors and cooperation on environmental issues</p>

### Employer associations' positions and initiatives

Employer associations have undertaken a broad range of initiatives with a view to contributing to mitigating climate change. Companies and employer organisations have sought to:

- engage in political debates on green topics in multi-stakeholder forums and in bilateral dialogues;
- issue publications on specific green issues such as environmental legislation, reducing emissions, remaining competitive in a green economy and employer involvement;
- organise events and information dissemination for awareness-raising among members;

- promote green skills for employees in order to prevent skill deficits.

However, the approaches of trade unions and employer associations towards greening the economy are somewhat different. While union and other employee representatives focus mostly on the impact of this process of greening on employees and workplaces, employers are more concerned with ensuring that companies remain competitive while undertaking the process. From the employers' perspective, responding to climate change poses particular challenges – particularly in terms of new statutory regulations, which – they feel – could make European companies less competitive on the world market.

## Lessons and policy pointers

### **Good social dialogue structures can help ensure success**

The case study sample shows that a successful project depends on many factors. Above all, well-developed social dialogue structures and good social partnership facilitate projects that seek to green the economy. The sectoral dialogue in the aluminium industry in Germany is one example of such successful social partnership. Here, both stakeholders shared the same objectives and both saw the urgency of boosting resource efficiency. A similar positive example is the well-established joint dialogue structure of the Joint Registered Collection Agencies (Organismes paritaires collecteurs agréés, OPCA) in France.

Existing social-dialogue platforms should actively include environmental protection in their agenda. At the same time, the social partners should agree on a policy and practical steps to boost the number of initiatives. A first step in this regard, then, would be to provide incentives to social partners for cooperation in areas where there is potential for introducing green initiatives. One way to do this is to highlight the benefits to both sides of such cooperation.

### **Social partners at company level can help green the workplace**

The Trades Union Congress (TUC) initiative in the UK on GreenWorkplaces has been positively perceived, in many cases convincing companies and employers to take part. In particular, it shows how social partners can successfully initiate projects for greening workplaces in all sectors. The same applies in the case of Euroneff in Romania. Here, a joint initiative between the sectoral trade union in the construction industry and the employer association has led to the creation of an innovative training guide on energy efficiency, which the entire workforce will eventually benefit from.

### **Trade unions can adopt the green economy in their strategy and action plans**

Trade unions have become much more involved in environmental issues and debates regarding climate change since the 1990s. All trade unions at the European and international levels have published policy papers on climate change – for example, for United Nations climate change conferences in Copenhagen in 2009 and Cancún, Mexico in 2010. They are also active in regard to green issues. At the European level the European Trades Union Confederation (ETUC) adopted a resolution on combating climate change for the conference in Cancun and is involved in the EU social partners' project to develop a joint approach to the social and employment aspects and consequences of climate-change policies. It is important for trade unions to remain committed in terms of climate-change mitigation and to maintain environmental protection as a priority.

### **Employee representatives can use their position to foster sustainability**

The case studies indicate that innovative instruments for greening the economy can successfully be adapted at the plant level. Here, employee representatives play a crucial role in all forms of green initiatives and social dialogue structures, as the examples in the UK and Germany show. The good practice cases from the UK show that a growing number of employee representatives use their influence to demand improvements in health and safety, serving as positive examples of the potential that employee representatives have. In Germany, employee representatives are playing a role in regard to the use of energy efficient materials; the German Works Council Act even includes an environmental say for works councils on the shop floor.

### **Sustainable consumer incentives can be integrated into remuneration and wage policy**

Patterns of consumption play a key role – both directly and indirectly – in environmental problems. The Belgium example of the eco-vouchers shows how – through collective bargaining – consumer incentives can be integrated into remuneration and wage policy on top of basic wages. Wage setting is the key domain for social partners – the one where, depending on the system of wage bargaining, they have the biggest impact on consumers and workers (if the wage agreements are then extended beyond the social-partner membership, a multiplier effect is set in motion). However the support of both sides is necessary if such initiatives are to succeed.

The voucher initiative has the potential to be transferred to other situations – to the level of the individual company, for instance. Works councils or trade unions and company management could include the concept of green vouchers in their negotiations over company agreements, particularly in those cases where bargaining over non-monetary benefits is already a common practice.

### **Social dialogue can facilitate 'green' upskilling**

In France, many trainees have received or will receive training in environmentally friendly building methods in the construction sector by the OPCA, with positive impacts on both employment and resource efficiency. It is in the interests of both employers and trade unions to have an appropriately skilled workforce, which can carry out work matching companies' needs. Similarly, in the case of Euroeff in Romania, the advantages of having well-qualified workers trained to apply the latest European energy efficiency standards was recognised by both trade unions and employers. Many Member States have included retrofitting measures for both company premises and private homes in their current recovery packages, which also fall into line with EU national policies on energy efficient housing. Social partners can support the implementation of such measures and extend them through, for instance, funding training.

### Awareness building is an important precondition

The review of the five case studies illustrates that shared concerns, a joint understanding, shared awareness of environmental issues and the willingness to contribute to environmental protection are important preconditions for the successful implementation of a project. In all the cases described, both trade unions and employers shared a common view on the need to adopt green policies in their workplace, company, sector or country. Raising awareness among social partners (as well as among all employees) is vital if projects are to succeed. Social partners can further this by developing training and creating awareness-building programmes on environmental matters.

### National and international political contexts can create a good foundation

The political context is an important driver for initiatives leading to a more sustainable economy. Social dialogue and projects initiated by the social partners often complement national or international policies. A comparison of the five case studies shows that the level of environmentally related activity varies

markedly between countries; this reflects the level of commitment of the government to promoting environmental issues. In particular, the Euroeneff project in Romania demonstrates how important is the role of the government as initiator and financier; here, the European Commission offered to facilitate the first steps of this project, which may over time contribute to the standardisation and recognition of qualifications at the European level.

### Ecological and social impact assessments are needed

Gauging the success of the initiatives described here – in terms of their environmental and social impact – is difficult. Effective monitoring is required of projects that seek to green the economy to gauge their contribution to such goals as the EU 20-20-20 targets and improving working conditions and gauge their impact on competitiveness. However, monitoring also enables the early detection of, for instance, potential conflicts between environmental and social goals, allowing changes to be made to ensure a more successful outcome for all.

#### Further information

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