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DRAFT REPORT

on developing the job potential of a new sustainable economy
(2010/2010(INI))

Committee on Employment and Social Affairs

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on developing the job potential of a new sustainable economy (2010/2010(INI))

The European Parliament,

– having regard to the Commission communication entitled 'Europe 2020: A European strategy for smart, sustainable and inclusive growth' (COM(2010)2020),

– having regard to the Commission communication entitled 'Mainstreaming sustainable development into EU policies: 2009 Review of the European Union Strategy for Sustainable Development' (COM(2009)0400),

– having regard to Regulation (EC) No 106/2008 of the European Parliament and of the Council of 15 January 2008 on a Community energy-efficiency labelling programme for office equipment (recast version)[1],

– having regard to Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC[2],

– having regard to the Commission White Paper entitled 'Adapting to climate change: Towards a European framework for action' (COM(2009)0147) and its resolution thereon of XX April 2010[3],

– having regard to the Commission communication entitled 'Greening Transport' (COM(2008)0433),

– having regard to the Commission communication entitled 'Strategy for the internalisation of external costs' (COM(2009)0435),

– having regard to the Commission communication entitled 'An Energy Policy for Europe' (COM(2007)0001),

– having regard to the conclusions of the European Council of 10/11 December 2009, in particular points 21-24,

– having regard to the Council Presidency Report on the 2009 Review of the EU Sustainable Development Strategy[4],

– having regard to the United Nations Framework Convention on Climate Change (UNFCCC) and to the Kyoto Protocol to the UNFCCC,

– having regard to the 2007 IPPC document entitled 'Climate Change 2007: Synthesis

[1] OJ L 39, 13.2.2008, p. 1.
[2] OJ L 140, 5.6.2009, p. 16.
[3] Texts adopted, P7_TA(2010)xxxx.
[4] CNS ST16818/09, 1.12.2009.

Report, Contribution of Working Groups I, II and III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change',

– having regard to the 2006 Stern Review Report on the Economics of Climate Change,

– having regard to the 2008 UNEP, ILO, IOE and ITUC Green Jobs Initiative entitled 'Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World',

– having regard to the ILO background note entitled 'Global Challenges for Sustainable Development: Strategies for Green Jobs' submitted to the G8 Labour and Employment Ministers Conference held in Niigata, Japan, from 11 to 13 May 2008,

– having regard to the OECD's 'Declaration on Green Growth', adopted at the Council Meeting at Ministerial Level held on 25 June 2009, and its ongoing Green Growth Strategy,

– having regard to the 2009 Greenpeace and European Renewable Energy Council (EREC) report entitled 'Working for the climate: renewable energy and the green job revolution',

– having regard to the 2007 European Trade Union Confederation (ETUC) and Social Development Agency (SDA) report on 'Climate Change and Employment: Impact on employment in the European Union-25 of climate change and CO_2 emission reduction measures by 2030',

– having regard to the Commission's 'Employment in Europe 2009' report, in particular Chapter 3: Climate change and labour market outcomes,

– having regard to the Commission communication entitled 'A European Economic Recovery Plan' (COM(2008)0800) and its resolution thereon of 11 March 2009[1],

– having regard to the Commission communication entitled 'Driving European recovery' (COM(2009)0114),

– having regard to the European social partners' joint analysis, entitled 'Key challenges facing European labour markets', of 18 October 2007,

– having regard to the European social partners' 2002 'Framework of actions for the lifelong development of competencies and qualifications',

– having regard to the Commission communication entitled 'New Skills for New Jobs - Anticipating and matching labour market and skills needs' (COM(2008)0868),

– having regard to the European Centre for the Development of Vocational Training (CEDEFOP) 2009 research paper entitled 'Future Skills Needs for the Green Economy',

– having regard to Rule 48 of its Rules of Procedure,

– having regard to the report of the Committee on Employment and Social Affairs and the

[1] Texts adopted, P6_TA(2009)0123.

opinions of the Committee on Economic and Monetary Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Industry, Research and Energy, the Committee on Regional Development and the Committee on Women's Rights and Gender Equality (A7-0000/2010),

A. whereas, in 2009, the European Council confirmed that sustainable development is a key objective of the Lisbon Treaty; whereas the guidelines of the EU sustainability strategy include the combined consideration of economic, social and ecological interests, intensifying social dialogue, greater social responsibility for companies and the precaution and polluter pays principles,

B. whereas the promotion of a resource-efficient, ecological and competitive economy is one of the focuses of the Europe 2020 strategy,

C. whereas industrialised countries should reduce their carbon dioxide emissions by 80-90% of the 1990 level by 2050,

D. whereas the change towards a more sustainable economy has different effects on different sectors; whereas jobs are created, replaced, or partially cease to exist; whereas all jobs should be adapted to sustainable, resource-efficient production and working methods, and the greatest need for adaptations therefore arises in existing employment relationships,

E. whereas this change stabilises employment and, in some sectors, greatly increases the number of jobs, with considerable spill-over effects; whereas, where reliable framework conditions have been created, a constant rise in jobs can be noted, which is stabilised by increasing exports,

F. whereas new sectors are often not integrated in social dialogue structures; whereas no collective agreements or sector-specific codes exist; whereas the new sectors are subject to great pressure to produce and compete; whereas, in regions with high unemployment, the pressure to accept bad working conditions is high,

G. whereas gender equality is an objective of the Lisbon Treaty; whereas women are underrepresented in the construction industry and research, for example, and can therefore not profit from the increase in jobs in the green economy to the same extent,

Job strategy for a new sustainable economy

1. Notes that investments in ecological change bear great potential for growth in the employment market and new income opportunities; notes that the positive balance takes losses in some sectors into account which are more than compensated by growth in other areas;

2. Supports the Commission's flagship initiative under the Europe 2020 strategy to make the change towards a sustainable economy now, to decouple economic growth from consumption of resources and energy, to reduce climate-damaging emissions and thus to act against global warming; welcomes the intention to align legal framework conditions, market economy incentive instruments, subsidies and public procurement with that objective; regrets that, in the strategy, the Commission omitted to address employment

market potential and the challenges of change;

3. Notes that most new green jobs are concentrated in certain sectors such as construction, renewable energies, environment technologies, sustainable mobility (transport by bicycle, freight and passenger rail transport), recycling, sustainable agriculture, forestry and fishery and environmental services; notes that the service sector also bears considerable green employment potential;

4. Calls for the adoption of the ILO's definition[1], according to which all jobs which promote sustainable development are green jobs; points out that the definition includes, firstly, jobs which directly reduce consumption of energy and resources, protect ecosystems and biodiversity and minimise waste production and air pollution and, secondly, all jobs which reduce the environmental footprint; recognises that, owing to the relative nature of the definition, the job potential cannot be definitively determined;

5. Stresses that all jobs are committed to the objective of promoting sustainable development and that production and working methods should be organised so as to be as resource and energy efficient as possible; stresses that this approach should apply to the entire supply chain;

Optimising employment potential

6. Calls for the development of a European job strategy for a sustainable economy, aiming at optimising job potential whilst paying special attention to decent work, skills needs and a socially just transition; stresses that a sustainable economy combines social and ecological objectives;

7. Calls on the Commission, the Member States and the social partners to ensure that everyone across the EU benefits from a sustainable jobs strategy; calls for attention to be focused on people furthest from the labour market, the most vulnerable and low-skilled workers;

8. Calls on the Commission and Member States to determine environmental standards and financial incentives creating reliable framework conditions for at least 10 years, and thereby creating legal and planning certainty; demands that existing financial instruments should be used and that sustainable economic activity should be inserted into the financial perspective and the structural fund as a promoted objective;

9. Calls on the EU and the Member States to anticipate change, i.e. to overcome information failures and uncertainties and foster awareness, social learning processes and changes in consumption patterns; states that companies invest in clean technologies only if there is some security about future benefits and that workers are willing to face change if there is a prospect of future employment and a safety net;

10. Calls on the EU, the Member States and the social partners to fight discrimination and promote gender equality in a sustainable economy, create work environments that attract and retain women in these sectors, reduce gender-based job segmentation and wage gaps

and establish a quota for women on company boards of 40%;

Decent work

11. Notes that the Commission overestimates the job potential for highly qualified employees in the sustainable economy, and thus loses sight of the many jobs in the middle and lower qualification bands; calls on the Member States to enhance the status of jobs in the middle and lower training bands and to ensure good working conditions in those jobs;

12. Notes that, owing to the low level of organisation of employees and of employers in new sectors, the risk of precarious employment relationships and bad working conditions is great; calls on the EU and Member States to create framework conditions for establishing representative bodies in new sectors; invites the Commission to promote EU-wide exchange of best practice examples;

13. Calls on the social partners to embrace new sectors and develop strategies to include sector associations in the social partnership and promote female participation in male-dominated representative bodies;

14. Calls on the EU and Member States to link public aid for new production sectors to minimum social standards and the creation of representative bodies, such as works councils and trade associations, in future;

15. Calls on the EU to develop a framework for anticipating change and restructuring, providing the guaranteed right for all affected workers to take part in training and lifelong learning schemes; calls on the Member States, employers and employees to recognise skills management, training and lifelong learning as a shared responsibility, as acknowledged in the social partners' 2002 framework agreement on lifelong learning;

Facing skills needs

16. Points out that the Member States must adapt their training and education systems to ensure that the workforce can adjust their skills to the labour-market needs of a sustainable economy founded on competence-based training concepts;

17. Calls on the Member States to adapt the training offer and lifelong learning strategies to the requirements of older employees, in order to ensure high participation rates for workers over 55 years of age as well;

18. Calls on the Member States and social partners to establish quotas, targeted recruitment schemes, specialised apprenticeships and training initiatives for women;

19. Recommends that the objective of the Globalisation Adjustment Fund be redirected towards promoting a sustainable economy;

20. Calls on the Member States to establish Transition Funds to manage skills needs, which could be financed through a Tobin tax on financial market transactions, carbon and green taxes, revenues from the auctioning of emission rights and unused emission rights for the period from 2008 to 2013;

21. Calls on the EU and the Member States to make promotion of adaptability to a sustainable economy one of the objectives of the European Social Fund;

22. Recalls that the sustainable dimension should not be restricted to training in environment-related jobs, but needs to be incorporated into all training programmes and made a prerequisite for funding;

Socially fair change

23. Call on the EU and the Member States to create framework conditions for a socially fair transformation which minimises the risks of change and optimises gains for all employees;

24. Stresses that the consequential costs of a lack of transformation management are many times higher than anticipatory investments; calls on the Commission, the Member States and the social partners to confront the responsibilities of preventive transformation management together;

25. Recalls that the promotion of and support for collective agreements to anticipate change and avoid layoffs and redundancies, together with the strengthening of social security, income support systems and proactive sectoral training initiatives, are crucial prevention measures;

26. Emphasises that, in order for transition to be socially just, workers must have a participative partnership role to play in the process; calls for the involvement of trade union 'green representatives' in companies, who would actively participate in 'greening' their workplaces, companies and industries;

27. Calls on the Member States and the social partners to cooperate in a structured manner with environmental stakeholders, including NGOs, in managing transition;

28. Instructs its President to forward this resolution to the Council and Commission, and to the Governments and Parliaments of the Member States.

EXPLANATORY STATEMENT

The EU's commitment to sustainability

In December 2009, in its conclusions on the renewed EU Sustainable Development Strategy[1], the European Council defined development as sustainable if it takes the needs of the current generation into account in such a way that the capability of future generations to satisfy their needs is not endangered. The conclusions name seven key challenges: climate change and clean energy, sustainable transport, sustainable consumption and production, conservation and management of resources, public health, social inclusion, demography and migration and global poverty. The guiding principles of the strategy are the combined consideration of economic, social and ecological interests, more intense social dialogue, greater social responsibility for companies and the precaution and polluter pays principles. Furthermore, the Council conclusions provide for investments in human, social and environmental capital, technological innovation and new ecological services, with the long-term aim of creating the conditions for competitiveness, wealth, social cohesion, high quality jobs and better environmental protection.

In 2009, the Council also confirmed the EU's commitment to participate decisively in the international fight against increasing global warming. In its decisions, the EU committed itself to reduce its greenhouse gas emissions by at least 20% by 2020, compared with 1990 emissions, and to cover 20% of its energy needs with renewable energies by 2020. According to an IPCC study, global warming can only be reduced to 2°C if industrialised countries reduce their greenhouse gas emissions by 80-90% of the 1990 level by 2050[2]. For the European Union, this means that efforts on renewable energies and energy efficiency should be considerably accelerated.

What are green jobs?

The Council definition of sustainable development already shows that almost all relevant industry and service sectors are affected. Therefore, this report follows the comprehensive ILO definition of green jobs[3]. Green jobs are not restricted to employment sectors which are directly connected with environmental protection. In fact, a job is green if it contributes to change towards sustainable management, helps save energy, uses renewable energy, preserves natural resources, sustains and restores biological diversity and avoids waste and air pollution.

On the basis of this definition, I do not share the Commission's view that green jobs are found particularly in cutting-edge technology, but, rather, share the ILO's conclusions that all qualification bands are decisively affected by a change towards more sustainability, which

[1] Conclusions of the European Council of 10/11 December 2009

[2] IPCC: Climate Change 2007: Synthesis Report. Contribution of Working Groups I, II and III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, Core Writing Team, Pachauri, R.K. and Reisinger, A. (Eds.), IPCC, Geneva, Switzerland.

[3] ILO Background Note entitled 'Global Challenges for Sustainable Development: Strategies for Green Jobs', G8 Labour and Employment Ministers Conference, Niigata, Japan, 11 to 13 May 2008.

leads to a different analysis of vocational education and training requirements and of the need for ecological education in general.

Optimising employment potential

The positive side effect of the expansion and the promotion of the renewable energies and energy efficiency sector is enormous. The Greenpeace study[1] estimates the global job potential of the renewable energy and energy efficiency sector at over 8 million.

Experiences in Germany confirm these forecasts and clearly show that strong expansion of the renewable energy sector has a direct effect on jobs. In Germany, 250 000 new jobs were created on the basis of the Renewable Energy Act. Germany thus has a pioneering role by international comparison. Including indirect effects on employment, the Act has ensured regular job increases since it entered into force in 2000. Forecasts reckon that there will be 400 000 more employees by 2020. The fact that the increases in employment in new sustainable sectors such as renewable energy in Germany are also stabilised by increasing exports was not taken into account in the Commission's net calculation models in its study[2] on employment in Europe in 2009. The Commission determines the net increase figures on the basis of the EU internal market alone and forgets the EU's potential of assuming a global pioneering role in the change towards a sustainable economy.

However, the success of the German example essentially depends on the long-term and dependable framework conditions which the Renewable Energy Act (EEG), the law on Energy Performance Certificates and state funded loan programmes have been giving investors. Without these clear political and financial decisions, the job market potential cannot be developed.

Other EU countries are now following the German example. The EU should therefore include the commitment to reliable framework conditions in the Europe 2020 strategy and make legislative initiatives soon. Within their area of competency, the Member States should follow quickly. This also means that the change towards a sustainable economy should be established as a key objective for all EU funding award procedures, and for the structural funds in particular. In the next ten years, we need to systematically initiate the necessary investments.

The real job potential of new sustainable development is difficult to measure and the studies mentioned in the preamble to this report are accordingly vague regarding precise figures and partly contradict each other. The calculations diverge too much, dependent on the framework conditions. This is shown by the example of the transport sector.

The UNEP study[3] investigates the shift in urban mobility from individual motor transport towards efficient local public transport systems and gives a multiplication figure for the employment potential of 2.5 to 4.1. However, using the scenario of the Commission's current

[1] Greenpeace and European Renewable Energy Council (EREC) report entitled 'Working for the climate: renewable energy and the green job revolution' of 2009,
[2] European Commission 'Employment in Europe 2009'.
[3] UNEP, ILO, IOE and ITUC Green Jobs Initiative entitled 'Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World' of 2008.

funding, the local public transport sector comes under enormous pressure. Whilst huge funds are available for research and industry to develop electric cars, the local public transport sector and vehicles are excluded from funding programmes. In urban areas, both kinds of mobility are in direct competition with each other. The possible employment potential of sustainable mobility could only really be developed if it were opened up by political framework conditions and financial decisions. The potential of bicycle transport related retail and service is similar to that of public transport. In their ecological ranking, both forms of transport are preferable to the electric car.

A new sustainable economy for a social and inclusive Europe

The change towards a sustainable economy is not only an ecological necessity, but should also be part of our strategy for a social Europe. Successful change essentially depends on acceptance by Europeans, and this acceptance can only be achieved if we can show that our strategies for the change towards a sustainable economy are socially just and lead, in the long term, to higher employment, better working conditions and increased social security. The objective of a new sustainable economy should be social and ecological sustainability, and socially fair transformation management is the corner stone of this strategy.

Good work

The issue of job quality is particularly relevant. In the lower qualification band, precarious employment contracts are on the increase. On the basis of the European Council's comprehensive definition of sustainable development, I believe that the report's aim is not to consider green job potential merely numerically, but I have also explored the issue of ensuring good working conditions for green jobs and the question of how the change towards a sustainable economy can be implemented in a socially fair manner.

During the research for this report, it soon became clear that working conditions are a key issue in new industries. Both employees in the solar industry, in eastern Germany for example, and representatives of the wind power industry criticise the high pressure for productivity, which, together with the pressure from international competition, leads to low wages and bad working conditions. Under these conditions, it is very difficult to convince employees to change industry, for example from the coal industry, which has over the years obtained good working conditions and social protection. In discussions with employers' associations and trade unions, it becomes clear that the main problem in these new sectors is the absence of representative bodies on both sides. There are first projects aiming to promote the creation of such bodies, and my report clearly supports these endeavours.

Qualification requirements

Socially fair change also means addressing the issue of people's education and training. Firstly, this means ensuring that the job potential of the green economy can actually be used. Only if sufficiently well educated/trained employees are available can the growth potential in certain sectors be fulfilled. Secondly, it should be ensured that change bears opportunities for all – young and old people, women, insiders and outsiders on the job market. Today, we do not know yet for certain what qualifications will be needed to what extent. However, it is clear that we should anticipate by orientating the education and training offer and life-long

learning strategies towards sustainability. Custom-made programmes will be necessary to ensure that also, for example, a female worker who has worked for 30 years in the coal industry has the opportunity to change. In order to successfully manage the considerable need for new qualifications, retraining and further training, it should be analysed which employee and jobseeker groups need particular support, and the relevant measures should be planned.

Socially fair change

Change requires a high level of flexibility, and even mobility in some cases. The frequently quoted Danish example shows that people perceive a high level of flexibility on the job market as an opportunity and not as a threat if social security is provided by state systems and strong social partnerships and if anticipatory qualification management offers perspectives. It is a requirement for successful change towards a sustainable economy that, in the required phases of change, workers should be safeguarded by social security.