Green employment initiative: tapping into the job creation potential of the green economy

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PURPOSE: to propose a Green Employment Initiative regarding tapping into the job creation potential of the green economy.

BACKGROUND: the inefficient use of resources, the unsustainable pressure on the environment, and climate change, as well as social exclusion and inequalities pose challenges to long-term economic growth.

A model for green growth – leading to a low carbon, climate resilient and resource efficient economy - is used to depict a structural economic change that proposes a different model from the "takes-makes-consumes and disposes" model (linear model) to one where saving, re-using and recycling materials will get more value added and more benefit from each ton of material, each joule of energy and each hectare of land (circular economy).

Against this picture, the Commission proposes a **Green Employment Initiative**, which was set out in the 2012 Commission Employment Package (Employment Guideline 7).

Up to now, integrated policy frameworks linking green growth and employment existed in only a small number of Member States, with the majority having a disjointed and fragmented approach.

It is now necessary to put forward solutions and tools aiming, on the one hand, at supporting employment and job creation in the green economy and on the other, contributing to attaining the objectives of the Europe 2020 strategy.

CONTENT: it is estimated that employment in the EU increased from 3 to 4.2 million between 2002 and 2011, including during the period of global financial crisis. For the wider economy, by increasing the efficiency of production processes, adopting innovative solutions to save resources, developing new business models, or offering more sustainable products and services, companies can **expand their markets and create new jobs, while transforming existing ones**. If this rate were maintained, it could boost GDP by nearly 1%, while creating more than **2 million jobs.**

Accordingly, the Commission suggests that a strategy enabling transition towards a green economy should focus on the following:

- bridging the skills gaps;
- anticipating change, securing transitions and promoting mobility;
- supporting job creation;
- increasing data quality.

The Communication sets out the broad outlines of the actions:

Bridging the skills gaps: this means fostering skills developments and better forecasting skills needs across sectors and industries to allow the relevant authorities and stakeholders to adapt to change. **Eco-**

innovation sectors are targeted, with fostering of skills in science, technology and mathematics skills (STEM) as part of compulsory and tertiary education. Classification systems such as 'European classification of Skills, Competences, Qualifications and Occupations' (ESCO) can be used to identify skills gaps. The EU Skills Panorama, launched by the Commission in 2012, provides an overview of European, national and sectoral findings on the short to medium-term prospects for jobs and skills needs.

Anticipating change, securing transitions and promoting mobility: transformation processes, in particular from declining to emerging activities, require timely anticipation and management. Restructuring should be handled in a socially responsible way, in particular to preserve human capital through continuous up-skilling programmes for **workers on the job** and bearing in mind emerging risk linked to the development of green technologies. At the same time, action needs to be taken to ensure adaptation of labour market institutions in order to ease and secure transitions. Public employment services (PES) provide valuable information about skills requirements and could be used. Lastly, the paper suggests developing incentives to promote geographical and occupational mobility through EURES or ESCO to match jobs to skills at Union level.

Supporting job creation: EU funding should be used to support the green transition through the ESF, ERDF, EAFRD, COSME, Horizon 2020, LIFE and FI-TAP. Furthermore, to move towards a green economy, it is important to consider **shifting taxes from labour to environmental taxation** that would remove harmful subsidies and can result in both higher employment and lower emissions and pollution. Public procurement can be used to promote growth in the green economy and green social enterprises could inspire others to be entrepreneurs.

Increasing data quality: the regular collection of harmonised statistics would facilitate more evidence-based policy making and monitoring, as well as better anticipation of transitional effects on the labour market and identification of skills needs.

The Communication also stresses the need to promote **social dialogue** and **international cooperation** with stakeholders such as the Global Green Growth Institute, OECD, UNEP and World Bank.

Lastly, the Communication emphasises that the following priorities should be pursued in the **transition to the green and resource efficient economy that support job creation and skills and education:**

- improving integration and coordination of existing European and national level policies and initiatives;
- further developing governance structures and methodological tools to facilitate the transition towards a green and resource efficient economy, and establishing a closer working relationship and dialogue with social partners on the employment challenges for greening the economy;
- further strengthening the existing Commission skills intelligence tools and networks to better anticipate and monitor developments in sectors and occupations linked to green growth;
- working towards an international playing field in promoting green and inclusive growth.