

The Green Employment Initiative



[According to Eurostat estimates](#), employment in the EU-28's environmental economy rose from 2.8 million full-time equivalents (FTEs) in 2000 to 4.5 million full-time equivalents in 2016. The environmental economy in the EU-28 generated EUR 746 billion of output and EUR 303 billion of value added in 2016. These trends in employment and value added in the environmental economy indicate considerably faster growth than that of the overall economy and of gross domestic product (GDP). Moreover, according to the [World Employment and Social Outlook 2018: Greening with Jobs](#), action to limit global warming to 2 degrees Celsius will result in sufficient job creation to more than offset job losses of 6 million elsewhere.

The environmental goods and services sector helps manage pollution and natural resources, which covers inter alia waste management, air pollution, controlling and cleaning up soil, as well as recycling, renewable energy and water supply. However, green jobs do not only include those in the eco-industry sector; activities in other sectors like in organic farming, sustainable agriculture and eco-tourism much depend on a healthy environment, while many other jobs are impacted indirectly.

Green growth is therefore both a challenge and an opportunity for the labour market and skills which, in turn, are key factors for enabling green growth. This is at the core of the Green Employment Initiative, which is addressing the employment challenges and opportunities of the current transition towards a green, low carbon, resource-efficient economy. This transition will bring about fundamental transformations across the entire economy and across a wide range of sectors: additional employment will be created; some jobs will be replaced and others redefined. In this context, better targeting and coordination of labour market measures and tools are essential to create the necessary conditions to support green employment, bridge skill gaps and labour shortages, and anticipate change in human capital needs.

"In a Europe with 26 million unemployed Europeans it is not enough to create growth. We must also expand in areas that can generate jobs. The green sector offers enormous potential for job creation and we have to make sure Europe can harvest its benefits in full."

Connie Hedegaard, Former European Commissioner for Climate Action

Green Employment Initiative in Perspective:

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Creating the necessary conditions for a green economy

The Green Employment Initiative Communication presents an integrated framework to allow labour market and skill policies to play an active role to support the transition to a green, low carbon, resource-efficient economy. It focuses on the importance of

- anticipating and establishing adequate skills policies to support workers in coping with structural change,
- securing labour market transitions, and
- strengthening governance and partnership-based initiatives,

complementing the [EU Circular Economy Action Plan](#) and the [Green Action Plan for SMEs](#), by putting the promotion of green jobs at the core of the envisaged integrated approach which links green growth and employment.

More specifically, the Green Employment Initiative sets out policy actions to be taken at European and national levels, including (among others):

- bridging existing skills gaps by fostering skills developments and better forecasting skills needs across sectors and industries;
- anticipating change and securing transitions by assessing and developing sector initiatives on anticipation and managing restructuring, by supporting peer reviews on adequate labour market policies, and by facilitating occupational mobility to meet specific labour market needs in the green economy;
- boosting job creation by making efficient use of EU funding, by shifting taxes away from labour towards pollution, and by promoting green public procurement, entrepreneurship and social enterprises;
- increasing data quality and monitoring of labour market developments by providing financial support and training to national statistical offices;
- promoting social dialogue at cross industry and sector levels as a pre-requisite to facilitate the greening of the economy. As recommended by the European Resource Efficiency Platform (EREP), the Commission

supports workers' involvement in matters related to environmental management, energy and resource use and emerging risks at the work place, enhance workers' rights to information and consultation, and develop sector-wide resource efficiency roadmaps; and

- strengthening international cooperation by engaging in the [Green Growth Knowledge Platform](#) launched in 2012 by the Global Green Growth Institute, OECD, UNEP and World Bank.

The initiative has significant potential in terms of job creation in a wide range of sectors linked with the green economy transition, as indicated in the following estimates:

- improving waste prevention and management in the EU could create more than 400,000 new jobs, and the review of the waste legislation now proposed by the Commission could create estimated further 180 000 jobs;
- a 1% increase in the rate of growth of the water industry in Europe can create between 10,000 and 20,000 new jobs;
- internal transformation and redefinition of jobs will affect sectors with a high share of emissions (energy power, transport, agriculture, building which are responsible for respectively 33%, 20%, 12% and 12% of EU greenhouse gas emissions);
- the construction sector could create 400,000 new jobs from making buildings more energy efficient to meet the requirements of the Energy Efficiency Directive on new proposals to reduce the environmental impact of new and renovated buildings);
- For energy intensive industries (e.g. chemicals, iron and steel), the picture is more complex, as they face both challenges and opportunities resulting from the need to mitigate emissions and the development of new sectors and goods. In order to address the competitiveness of the industries which are at risk of relocation due to the impact of climate policies, the Commission has put in place measures to prevent "carbon leakage". In the chemical sector, a greener chemical industry is estimated to create more jobs than in the petroleum industry and the current chemical industry. In the steel industry, use of recycled material, such as scrap steel, results in major energy savings and therefore has a positive impact on the competitiveness of the sector; and
- as 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.

INTERNATIONAL DIMENSION

It is widely acknowledged that a successful transition towards a green economy will reshape labour markets. As many EU partner countries have shortages in the skills required to 'green' their economies, there is significant potential for creating new jobs in the production of energy from renewable sources, energy efficiency, waste and water management, air quality, restoring and preserving biodiversity, climate change adaptation and the development of green infrastructure. Workers are needed for new roles and updated traditional jobs, from engineers who design innovative materials to electricians who install solar panels. Training and education policies can promote these skills to maximise opportunities in environmentally friendly and resource-efficient sectors. As businesses have the staff they need to grow, high-, medium- and low-skill employment can all grow with them.

EU's cooperation experience confirms the potential contribution of green sectors and practices to job creation. An evaluation of EU's pilot programme on green business development, the SWITCH to Green initiative, indicates that the programme has achieved "high impact in terms of uptake of SCP practices and increased levels of investments by MSMEs, contributing notably to the creation of green jobs" over the last 10 years, based on the funding of 150 projects reaching 90,000 SMEs which employ 350,000 persons, with an EU contribution of EUR 300 million.

Transfer of EU experience (Replication potential outside the EU)

In line with the conclusions of the Rio +20 UN Conference on Sustainable Development, the EU is committed to pursuing a just global transition to an inclusive green economy in collaboration with other international partners. This requires taking into account the social dimension of environment and climate change policies and their inter-linkages in the context of the Post 2015 Development Framework and the sustainable development goals.

The EU cooperates closely with the ILO on green employment related challenges including in [the Green Jobs programme](#): ensuring that green jobs are decent jobs; application of labour standards, in particular labour inspection and occupational safety and health in green employment; combatting informal economy in green sectors, such as waste management; anticipation of future skills needs and adoption of training policies facilitating meeting green skills demand.

The transition towards an inclusive green economy has also been addressed in bilateral dialogues with the EU's strategic partners such as the US, Canada and China and will continue to be discussed, also with other partner countries, in the future. In the framework of its development cooperation policy, and through the range of programmes and instruments it finances, the EU also encourages partner countries in adopting the integrated approach for greening their economies, leading to a boost in green jobs globally.

Lessons and Priorities

The shift to a green and resource efficient economy is above all an opportunity to increase European global competitiveness, to secure the well-being of future generations, and to support sustainable and high-quality employment, while contributing to the recovery from the recent economic crisis. Employment and labour markets policies at large need to play a more active role in supporting job creation and in matching labour and skills demands related to the transition to the green and resource efficient economy. To this end, the following priorities should be pursued:

- Improving integration and coordination of existing EU and national level policies and initiatives;
- Further developing governance structures and methodological tools to facilitate the transition towards a green and resource efficient economy, to better coordinate policies and to ensure consistent monitoring of reform measures; 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, resource efficient and circular economy;
- Ensuring that EU and Member States funding programs and policies support the job creation in the green economy;
- Monitoring progress related to green employment in the context of the Joint Employment Report;
- Working towards an international playing field in promoting green and inclusive growth;
- Building on the recommendations of the European Resource Efficiency Platform to develop a broad strategy for greening jobs, skills and education.