

8. WHAT'S IN THE SUSTAINABLE DEVELOPMENT STRATEGY FOR WORKERS?

While the irrefutable scientific evidence of climate change was delivered in 2007 with the findings produced by the Intergovernmental Panel on Climate Change (IPCC 2007), it was by and large in 2008 that the impact of this change – on the economy, industry, employment and the growth model current in the industrialised countries – began to be perceived in earnest. In the wake of, on the one hand, the food and energy crisis at the beginning of 2008 and, on the other, new research and studies showing the costs of both global warming (Stern 2007) and loss of biodiversity (Daisy 2008) for the European economy, sustainable development is no longer a matter for political discourse pertaining to the long term alone. It has become a question of emphasising the immediate need for the economy to seek rapid adjustment to this new challenge.

The need for adaptation is of more particular relevance in certain specific areas of the economy. These

include energy supply and renewable energy, building and construction, transport, basic industries and recycling (iron and steel, cement, aluminium, etc.), agriculture and forestry. Other sectors – trade, tourism, fisheries, etc. – are affected downstream, while countless subcontracting firms are also hit, directly or indirectly, by the need to adjust. For the workers in all these sectors change is henceforth inevitable and may come in the form of restructuring, retraining, new skills – and also job losses.

In this chapter we set out to describe this twofold social and environmental challenge, and we will also see how the European Union has responded so far – via the Sustainable Development Strategy – and how this response was implemented in 2008. By way of conclusion, we will describe the very long road still to be travelled in meeting this twofold challenge.

Themes

- 8.1. The twofold social and environmental challenge
- 8.2. The European response: the Sustainable Development Strategy (SDS)
- 8.3. Implementation in 2008 of specific aspects of SDS
- 8.4. Conclusions

8.1. The twofold social and environmental challenge

Major consequences

Figure 8.1: The environmental stakes

Climate-linked disasters	262 million persons have been affected each year during the 2000-2004 period.
Water shortage	1.8 billion persons can be expected to suffer drinking water shortage by 2025, mainly in Asia and Africa.
Environmental refugees	During coming years 50 million persons could be forced by climate change to join existing flows of refugees.
Homelessness caused by flooding	330 million persons are increasingly vulnerable to flooding in coastal areas, river valleys and small island states.
Food shortage and malnutrition	Currently, 180 million persons are affected and this figure could reach 600 million by 2080.
Pollution	2 million premature deaths are attributable each year to indoor and outdoor atmospheric pollution.
Loss of biodiversity	the vast majority of known species are either less well distributed, less abundant, or both. More than 40% of the world economy is based on forms of organic production. The poor, particularly those living in regions where agricultural productivity is low, are highly dependent on the genetic diversity of the environment.

Source: UNEP *et al.* (2008).

The twofold social and environmental challenge has been described in detail in a joint report published in September 2008 by the International Labour Organisation (ILO), the International Trade Union Confederation

of Trade Unions (ITUC), the International Organisation of Employers (IOE) and the United Nations Environment Programme (UNEP) (UNEP *et al.* 2008) (see Figures 8.1 and 8.2).

Climate change, the measures required to adapt to this phenomenon, and the efforts made to limit its impact by reducing emissions, already have major consequences for economic and social development, for modes of consumption and production and, hence, for employment, income, and the reduction of poverty in the world. It is essential that no time is lost in seeking compatibility between growth and development

and ways of achieving stabilisation of the climate and a sustainable environmental footprint. Even though this change necessarily entails a radical transformation of the economy, the social dimension of this transformation, and in particular the consequences for employment and decent work, would seem to be of little more than passing interest in the minds of political and economic decision-makers.

Figure 8.2: Decent work stakes

Working poor	the earnings of 1.3 billion persons in the world (more than 43% of the world population of working age) are too low to enable them and their dependents to rise above the poverty threshold of 2 dollars a day.
Unemployment	there are 190 million unemployed workers in the world.
Young job-seekers	there will be more than 500 million additional jobseekers in the next ten years.
Insecurity	5.3 billion people – approximately 80% of the world population – lack access to adequate social security cover.
Access to energy	1.6 billion persons (approximately one person in four) have no access to modern forms of energy.
Decent housing	one billion people live in slum conditions and lack essential services such as drinking water and sewage facilities.

Source: UNEP *et al.* (2008).

8.1. The twofold social and environmental challenge

Green jobs

In the following paragraphs we will summarise the main arguments contained in the above-mentioned report on green jobs and seek to ascertain what steps have already been taken by the European Union in relation to such jobs. The notion of a 'green job' is located at the crossroads of economic, social and environmental considerations. Such jobs contribute to the preservation or restoration of environmental quality, whether in agriculture, industry, services or administration. They aim to reduce the consumption of energy, raw materials and water by means of strategies to improve efficiency, to reduce carbon emissions in the economy, to minimise or totally avoid all forms of waste and pollution, and to protect and restore ecosystems and biodiversity. This reduction of the environmental footprint is gradual and each job contributes in a different way. For instance, workers manufacturing fuel-efficient or hybrid cars make less of a contribution to the reduction of emissions than do those working in public transport systems. What is more, a level that is today regarded as energy-efficient will no longer be regarded as such in ten years time. The concept of green jobs is accordingly not absolute. There are many shades of green and the definition is bound to change over time. What is more, green jobs are not automatically synonymous with decent work.

Six economic sectors are particularly important on account of their role in producing greenhouse gas emissions and their contribution to the economy. These sectors are as follows:

1. *Energy supply and renewable energy sources.* In recent years more than 2.3 million green jobs have been created in this sector which accounts, even so, for only 2% of world energy production. In Europe the renewable energy sector represents an annual turnover of 30 billion euros and employs 350,000 workers (Commission 2008i). According to statistics published on 4 February 2008 by the European Wind Energy Association (EWEA 2008), installed wind energy capacity grew by 18% in the EU in 2007, i.e. an additional 8,554 megawatts covering 3.7% of energy requirements in the EU (as against 0.9% in 2000). These results are lower than expected because of problems (cumbersome administrative procedures, problems of access to the network and lack of legal certainty) which could in some cases be resolved by adoption of the 'climate action and renewable energy package' (see below).
2. *Energy efficiency, particularly in buildings and the construction industry.* This is one of the areas in which the greatest reduction of greenhouse

gas emissions can be achieved and which offers the greatest potential for job creation. Some four million green jobs designed to improve energy efficiency already exist in the United States and in certain European countries. On 28 April 2008 the European Commission launched a public hearing on the revision of directive 2002/91/EC on the energy performance of buildings, the aim being to present a proposal for an amended directive before the end of 2008. The building sector represents a very large proportion (almost 40%) of energy consumption in Europe. While it has been estimated that energy efficiency in this area could be improved by 28% by 2020, there has been a relative lack of progress in relation to implementation of the measures that would be required to this end.

3. *Transport.* While efforts are being made to reduce the footprint of motor vehicles, public transport systems produce less emissions and offer more green jobs. Only around 250,000 jobs in the manufacturing of low-pollution low-emission motor vehicles can be regarded as green, as against more than 5 million jobs on the railways in China, India and the European Union alone. Yet in many countries there is a trend towards cutting back on this mode of transport to the benefit of road and air

transport. The European Union has taken several initiatives in this sphere (Green paper on urban mobility, Naiades programme for the development of inland navigation, research on the hydrogen motor car, plans to internalise the external costs of road transport, etc.). At the same time, however, the EU is seeking to ensure the development of the motor car industry, in particular via the high-level conference CARS 21. On 29 October last, this conference adopted recommendations on measures to support the European automobile industry and guarantee its competitiveness in a challenging environment. With the financial crisis of 2008, and at a time when motor car manufacturers are laying off large numbers of workers because of the drop in sales, these same manufacturers are demanding 40 billion euro in cheap loans and subsidies that would enable them to jettison existing surplus production in order to renew the fleet. Finally, in the field of air transport, on 25 June 2008 the Commission adopted the second legislative package on the Single European sky. This legislative package aims to deal with the doubling of air traffic foreseen between now and 2020 while aiming at the same time to save fuel and 'reduce' the airlines' CO₂ emissions.

8.1. The twofold social and environmental challenge

Green jobs

4. *Basic industries and recycling.* The iron and steel, aluminium, cement, paper pulp and paper industries account for a high percentage of energy and raw material consumption, as well as greenhouse gas emissions, but for a relatively tiny percentage of global employment. It is difficult to make these basic industries more environmentally friendly, and less than 300,000 jobs in iron and steel and aluminium can be regarded as being of even the palest shade of green. The best option for the reduction of the impact of these industries is recycling which provides millions of jobs (but not always decent jobs) worldwide. At the European level, a directive adopted on 20 October 2008 gives the EU a new framework for waste management with a view to encouraging re-use and recycling. This directive will impose on member states new targets, to be reached by 2020, for re-use or recycling for each type of material: 50% for glass, paper, plastics and metals; 70% for building and demolition refuse. For manufacturing and industrial waste, by contrast, no target has been set.
5. *Agriculture.* This is the largest employer in the world, with a total of 1.3 billion farmers and farm

workers. Decades of negligence and falling production prices have led to non-viable land-use practices and to jobs that are both poor in quality and badly paid. In this sector there is a large potential for the creation of green jobs (family farms, organic production, etc.). Organic farming, with sales amounting to 100 billion dollars in 2006, is beginning to make an impact but, at European level, the promotion of organic farming and produce is only a marginal aspect of the common agricultural policy (CAP). On 25 July 2008, the Commission launched a consumer information campaign on the significance and advantages of organic farming and food production. This campaign is part of a European action plan comprising 21 initiatives intended to develop the market for organic produce and to improve standards. Yet the action plan is far from calling into question the predominant guidelines underlying the CAP.

6. *Forestry.* Forests play a fundamental role in maintaining natural systems. Yet it is impossible to establish what percentage of the 40 million jobs and 60 mil-

lion subsistence activities of native populations can be regarded as sustainable and green. It is clear, in any case, that green jobs in the forestry sector will play an increasingly large role in the future. At the European level, the Commission presented, on 17 October 2008, two initiatives (one general communication and one proposal for a regulation) designed to combat deforestation in the world at large and, on the European market, trade in timber and timber products deriving from the illegal use of forests. The Commission's stated target is to reduce deforestation by half by 2020 and to halt it completely by 2030. However, given the scanty resources earmarked for achieving these targets, NGOs such as Greenpeace, Friends of the Earth and WWF have unanimously denounced the plan as severely lacking in ambition. Deforestation is currently responsible for the disappearance of 13 million hectares of forest every year, contributing to 20% of CO₂ emissions in the world.

Examination of these major sectors shows that it is possible to create viable green jobs at all levels of the working population, for manual workers, skilled workers, craft workers,

entrepreneurs, engineers or managers (see Figure 8.3). But any such move to restore ecological balance requires radical reform of the policies being applied, as well as a transformation of job content, entailing new demands in terms of performance and skills: from cleaning and maintenance staff to the chief operations managers, from electricians to computer experts, from bricklayers to architects, from credit brokers to investment decision-makers. According to a study quoted in the green jobs report, the world market for environmental products and services can be expected to double from its current level of 1,370 billion dollars a year to 2,740 billion dollars a year in 2020. Half of this market relates to energy efficiency and the other half to sustainable transport, water supply, sewage and waste management.

8.2. The European response: the Sustainable Development Strategy (SDS)

The new SDS 2005-2010

Not until June 2001 (in Göteborg) did the Heads of State and Government adopt a first sustainable development strategy (SDS) for the European Union (European Council 2001). This SDS is an integral part of the Lisbon Strategy, of which it constitutes one of the three key components, alongside economic reform and employment (European Commission 2001b). The basic principle of the SDS is to examine in coordinated fashion the economic, social and environmental consequences of all policies and to take account of these consequences in decision-making.

At the outset, this strategy incorporated four major areas: green transportation systems; public health; management of natural resources; and climate change. To these the Barcelona European Council added an external component with a view to the World Summit on Sustainable Development held in Johannesburg (2002).

Since 2001, however, the context has undergone substantial development,

both at the internal European level and in the world at large. At European level, the enlargement of the EU to take in the countries of central and eastern Europe, plus Cyprus and Malta, prompted the Commission, in February 2005, to propose a re-examination of the SDS (European Commission 2005a). This re-examination resulted in the definition of 'key objectives' and 'guiding principles' of European policies. In the course of extending this process, the Commission adopted, on 13 December 2005, a 'platform for action' which defined the main spheres of action to be promoted in the EU and the member states (European Commission 2005b). This platform, discussed in both the European Parliament and the Council, in several of its compositions, and which subsequently received criticism from numerous social and non-governmental organisations, gave rise to the adoption by the European Council of June 2006 of the second SDS 2005-2010. It is this strategy that currently serves as a general framework for European action in this sphere.

Figure 8.3: Green job progress to date and future potential

	Sectors	Greening potential	Green job progress to date	Long-term green job potential
Energy	Renewables	excellent	good	excellent
	CCS	fair	none	unknown
Industry	Steel	good	fair	fair
	Aluminium	good	fair	fair
	Cement	fair	fair	fair
	Pulp and paper	good	fair	good
	Recycling	excellent	good	excellent
Transport	Fuel-efficient cars	fair to good	limited	Good
	Mass transit	excellent	limited	excellent
	Rail	excellent	negative	excellent
	Aviation	limited	limited	limited
Buildings	Green buildings	excellent	limited	excellent
	Retrofitting	excellent	limited	excellent
	Lighting	excellent	good	excellent
	Efficient equipment and appliances	excellent	fair	excellent
Agriculture	Small-scale sustainable agriculture	excellent	negative	excellent
	Organic farming	excellent	limited	good to excellent
	Environmental services	good	limited	unknown
Forestry	Reforestation/afforestation	good	limited	good
	Agroforestry	good to excellent	limited	good to excellent
	Sustainable forestry management	excellent	good	excellent

Source: UNEP *et al.* (2008).

8.2. The European response: the Sustainable Development Strategy (SDS)

The new SDS 2005-2010

In the introduction to the new SDS 2005-2010, the Heads of State and Government recognise that 'The main challenge is to gradually change our current unsustainable consumption and production patterns and the non-integrated approach to policymaking' (European Council 2006). In this document seven major objectives are set out. Two of these – climate change and conservation of natural resources – are general but entail policy repercussions, essentially in relation to energy, agriculture and fisheries. Two others are linked to specific policies, namely, transport, and consumption and production. Three, finally, are 'social', namely, public health, social inclusion and world poverty (Figure 8.4). Pursuit of these objectives takes place via a range of instruments ranging from legislation to international diplomacy and encompassing taxation and R&D, but without it being clear in some cases exactly what strategy will be implemented.

The SDS sets out, however, to examine the role of funding and economic instruments for achieving these objectives. In particular, tax measures that focus less on employment and increasingly on the use of resources and energy consumption and/or pollution; the sector-by-sector reform of Community subsidies that adversely affect the environment and are incompatible with

sustainable development (the aim being gradually to abolish them entirely); and complementary linkages between the various different forms and mechanisms used by the Community for co-financing projects and measures (cohesion policy, rural development, technological research and development, etc.). One of the points regarded here as most positive, particularly by the ETUC, is the fact that European social, economic and environmental policies have, for the first time, been incorporated into a single framework (ETUC 2006).

Figure 8.4: The seven targets of the SDS 2005-2010

1. Climate change and clean energy	Slow down climate change as well as its costs and harmful effects for society and the environment (reduction of greenhouse gas emissions, prepare for post-Kyoto, etc.)
2. Sustainable transport	Ensure that transport systems meet society's environmental and socio-economic needs while minimising their harmful effects on the economy, society and the environment (energy consumption, dissociation of economic growth and demand for transport, restoration of balance between different modes, public transport services, infrastructure tariffs, etc.)
3. Sustainable consumption and production	Promote sustainable forms of production and consumption (environmental and social performance for products and manufacturing procedures, green tendering procedures, green technologies and eco-innovations, etc.)
4. Conservation and management of natural resources	Improve management and avoid overexploitation of natural resources while recognising the value of ecosystem-based services (biodiversity, reuse and recycling, common agricultural policy, common fisheries policy, etc.)
5. Public health	Promote non-discriminatory public health of a high quality and improve protection against threats to health (chronic disease, chemical substances, legislation on food and animal feed products, etc.)
6. Social inclusion, demography and migration	Create a society based on social inclusion taking account of solidarity among and within the generations, and guarantee and increase citizens' quality of life as a prerequisite for sustainable individual wellbeing (reduce poverty, modernise social protection, youth employment, reduction of school drop-out rate, social services, immigration policy, etc.)
7. Global poverty and the challenges of sustainable development	Actively promote sustainable development all over the world and ensure that the European Union's internal and external policies are compatible with global sustainable development and with the international agreements to which it is party (public development aid, promotion of sustainable development in the context of negotiations within the WTO, etc.)

Source: European Council (2006).

8.3. Implementation in 2008 of specific aspects of SDS

Action plan for sustainable consumption, production and industry

Two important initiatives were launched in 2008 in connection with the SDS: the Climate Action and Renewable Energy Package and the Package of Actions for Sustainable Consumption, Production and Industry. The energy-climate package, presented on 23 January, constitutes a set of measures aimed at enabling the European Union to reduce emissions of greenhouse gases by at least 20% and to raise the share of renewable energy in energy consumption to 20% between now and 2020. According to the Commission, this plan could enable the creation of thousands of new companies and millions of jobs in Europe in the sectors of renewable energy, biofuels, energy saving, energy efficiency, etc.

The other central initiative of the Commission in 2008 was the presentation, on 16 July, of a Package of Actions for Sustainable Consumption, Production and Industry (European Commission 2008d). The stated objectives are to promote environment-friendly products and technologies, to improve the environmental performance and particularly the energy efficiency of production processes, and to encourage market penetration of the resulting products. This plan brings together a whole series of measures, binding or otherwise, that the Commission plans to implement in three areas, set out below.

1. New policy on products

- consumer products that are more energy-saving and resource efficient (strengthening of the directive on the eco-design of products)
- compulsory labelling (obligatory mention of environmental parameters on the wrapping of a broader range of products);
- 'green' incentives and public procurement procedures (recommendations to the member states for the adoption of environment-friendly common practices for public procurement procedures);
- voluntary eco-label (extending this label to a broader range of products and services)
- responsibility of retailers (creation of a distribution forum targeted principally at retailers, manufacturers and consumer associations to improve the environmental performance of major retailers, encourage the purchase of more environment-friendly products and better inform consumers).

2. Production based on more efficient use of resources

- definition of targets and devising tools to observe, phase and promote the efficient use of resources and eco-innovation;

- revision of the EMAS, the voluntary system of eco-management and auditing, to secure its adoption by more firms and SMEs;
 - devising an industrial policy in favour of green industries, analysis of the obstacles to their expansion and full use in other sectors;
 - encouragement of the improvement of environmental performance in small and medium-sized enterprises (SMEs).
- #### 3. Sustainable consumption and production on the international scale
- support for industry-level agreements in the framework of the international negotiations on climate change
 - encouragement and sharing of good practices on an international scale
 - promotion of environment-friendly international trade in goods and services.

The action plan is therefore simultaneously targeted at industries and producers (eco-design of products), wholesalers and retailers (eco-labels), management (EMAS), SMEs, public authorities (green tendering procedures), consumers (labelling), and international trade. And yet, a number of potentially promising elements have been abandoned, in particular

the introduction of a carbon tax on imports. Moreover, one notes the absence of any initiative concerning social transition towards a sustainable form of consumption, production and industry.

The European ministers, meeting in the Competitiveness Council (26 September 2008) expressed support for this plan, while at the same time stressing the importance of preserving the competitiveness of European firms. They agreed on the – indicative – target of 50% of green public procurement on the territory of each member state in ten priority sectors: construction, food and catering services, transport and transportation services, energy, office machinery and computers, clothing, uniforms and other textiles, paper and printing services, furnishing, cleaning services and products, and health sector equipment.

8.4. Conclusions

Paradigm shift

Altering the content, meaning and direction of European economic growth to turn it into a model of sustainable development represents a tremendous venture in which all political, economic and social actors have a major role to play. In 2008 important initiatives were adopted in pursuit of this goal but the road to be travelled remains extremely long. It is to be noted, first of all, that the 'social equity and cohesion' key target included in the new SDS seems to have already been sidelined in relation to the other key objectives, the next obvious point being that economic growth in its present form, based as it still is on the race for productivity, on competition among firms, within firms, among regions, countries and continents, on deregulation, on the search for flexible and cheap labour, on tax engineering and tourism, is completely at odds with the achievement of a sustainable form of development. One of the major obstacles to the greening of economies and jobs relates to the persistence of non-sustainable but profitable trading practices. Firms that adopt environment-friendly technologies and trading practices are confronted with the pressure of financial markets that demand quick returns and with the practices of their competitors designed to attract

consumers through low prices that entail externalisation of the environmental and social costs.

Contrary to what the European Commission has long asserted, in the future it is not growth that will create environmental and social progress; rather, it is protection of the environment, in the broad sense, and the promotion of social cohesion, that will create 'growth', or, rather, sustainable development. This is a paradigm shift that has not yet found its way into the official documents and speeches.

To achieve this paradigm shift, numerous aspects of European policy that as yet receive no mention in the EU initiatives must be subject to adaptation: the Stability and Growth Pact, taxation (introduction of green taxes), financial regulation and corporate governance (accounting standards, efforts to eradicate tax havens, etc.), competition policy (derogations on the prohibition of state aids in favour of sustainable development and social cohesion), as well as trade policy and external relations. For the pursuit of a new development model indeed requires intensified interaction with the external dimension. It is no longer a question of placing economies in competition with one another

but of enabling their efforts to become complementary, since the reduction of CO₂ in one country may be cancelled out by an increase in another (though it is necessary also to take into account the tremendous 'debt' of the rich countries in this respect). It is therefore essential that Europe, both internally and externally, should feed its efforts into a bilateral and multilateral dynamic of international cooperation aimed at the global reduction of CO₂.

Finally, it is also necessary to reconsider the continued use of GDP as an indicator of progress since, in a context of sustainable growth, this has forfeited all relevance. A country that proceeded to implement widespread deforestation throughout its territory, or set its children to work rather than sending them to school, would achieve an increase in GDP. Measurement of nations' progress, wealth and wellbeing must in future take account of the reduction in carbon emissions, the preservation of biodiversity, rational use of resources, and social cohesion. In recent years alternative indicators have been devised to this end, incorporating aspects such as accumulation of long-term wealth, life expectancy, levels of literacy and educational achievement, as well as the negative incidence of pollution

and depletion of resources. These represent a more appropriate way to measure progress in tackling the challenges we now face.