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**SPEAKING POINTS**

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## Green growth and employment

- CEEP very much welcomes the initiative of the Italian Presidency to highlight the close links between green growth and employment. An integrated approach as suggested by the Informal Joint Meeting of EU Environment and Labour Ministers gives the right answer to the need of an economic recovery in Europe. It is exactly what public services employers and providers want to see when it comes to green, sustainable growth.
- CEEP would like to underline that green employment is created by increasing the importance of a sustainable economy that is the place where “green jobs” can be found and are constantly created.
- In this context, it is absolutely necessary to take into account the three dimensions of sustainability: its economical, social and environmental dimension. If all three are added to the picture, employment generated by growth can be considered green and sustainable. It then represents a real investment in the recovery and reorientation of the European economy after years of crisis in an important number of Member States.
- If investments in environmental protection take place without respecting social standards, then there is no real green, sustainable growth. The same is the case if green business models are not economically viable.
- Public service employers in Europe are committed to the realisation of green employment. Despite the turmoil of the recent economic crisis, they contributed to the creation of new green, sustainable jobs. In this context, the important contribution of the energy, the transport, the waste management and the water management sector can be highlighted. This development should be supported by long term investments in order to revive the European economy, among others by fostering these sectors’ contribution to green, sustainable growth.
- Different studies at both European and national level show the potential of green employment.
- The recent Eurostat data on the EEGS sector alone show a 20% increase of jobs despite the crisis, with employment evolving from 3 to 4.2 million between 2001 and 2011.
- Despite the limited scope of the EEGS definition, this data can already help to better understand the important role of green, sustainable employment in Europe.
- Sectoral examples further illustrate these opportunities. According to the Commission’s Impact Assessment for the recent review of the waste targets in the its

communication on the Circular Economy Package, 180.000 jobs could be created mainly in the field of waste management.

- A recent published study on the potential job creation in the Italian water sector estimates that investments of 6 billion per year could generate 71.632 new jobs, 11 billion would even generate 127.598 new jobs, only counting the Italian example.
- In the energy sector, the last decade has already shown its green, sustainable employment opportunities with 1.166.000 jobs directly or indirectly linked to the production of energy from renewable sources in Europe. The Spanish example illustrates this potential well with knowing a growth up to 105.000 jobs in 2012, compared to only 3500 in 1998.

## Monitoring the green jobs in the integrated European policy (European Semester/Annual Growth Survey)

- CEEP welcomes this innovative joint session of the informal Council for ENVI and EPSCO. We believe this is a possible good practice for the development of a more comprehensive vision in defining the future European policies.
- CEEP has long advocated that the EU needs a more fundamental and systemic re-orientation of its economy if it wants to meet its long-term environmental objectives.
- Therefore CEEP welcomes the concrete proposals for improving the knowledge on green employment. Considering the historically high level of unemployment, it is important to recognise that Europe definitely has the potential to create jobs and encourage innovation by using resources much more efficiently.
- CEEP sees the definition at the European and international level of green employment and its measurement as a first essential step to reach these objectives.
- In this regard, CEEP is in favour of the broadest possible definition for following the developments of the green economy. We regret the somehow limited definition present in Regulation 538/2014 which mainly focuses on an input/output assessment and on the two-dimension sound management of resources/nature of the products. At the moment, for example, public transport systems are not covered by the definition. This means concretely that employees in the field of tram construction fall under the definition, but those driving the tram for citizens, once it is constructed, do not.
- In terms of definition, CEEP believes that green jobs are sustainable jobs and should therefore encompass the three dimensions of sustainability, namely economic, social and environmental. They cannot be reduced to the single environmental dimension.
- The proposed ILO concept to also focus the statistical analysis on green production processes could allow us to assess the development and encourage, through informed policies, the development of new jobs which have the most effect on the structure of the European economy. These jobs are keys in fostering the evolution of production

systems and services delivery which we need in order to achieve our ambitious objectives.

- The European semester is currently too focused on classical economic indicators (GDP, unemployment rate, budget deficit, debt levels...), which are not sufficient to monitor the developments toward a sustainable growth.
- Greening the European semester means that the European Commission needs to continue to work closely with Member States on resource-efficiency indicators and CO2 targets. We also need to develop jointly specific qualitative assessment for the development of sustainable jobs in order to complete the Scoreboard of social indicators and assess the type and nature of jobs created.
- Finally, at the policy level, CEEP believes that a proper analysis of benefits and costs is also essential to deliver on the Member States' commitment to sustainable development. This requires policy to be appraised in a systematic way against its anticipated economic, environmental and social impacts.

## Poverty targets in the EU 2020 strategy mid-term review

- The situation in the European Union is worrying regarding increased poverty levels.
- Contrary to the Europe 2020 target of having 20 million fewer people in or at risk of poverty and social exclusion, recent figures from the European Commission show that since 2010, there have been 6.7 million additional people in situation of poverty within the EU.
- Furthermore, the Social Protection Committee annual 2013 report on the social situation in the European Union pointed out the worrying development of poverty at work. The report assessed that in 2012, 9.1% of the people in employment were living under the poverty threshold in the EU and the situation has worsened in the period 2011-2012 in 8 Member States.
- The social scoreboard of indicators was applied for the first time this year in the framework of the European semester and showed that the impact of the crisis on employment and social cohesion resulted into growing discrepancies between member states.
- In this difficult context, CEEP believes necessary to strengthen the links between jobs creation policies and policies intended to reduce poverty in the framework of the European semester.
- This objective should be taken up at the highest political level in the context of the Europe 2020 strategy with the headline objectives of increasing employment while reducing the number of people living in poverty or social exclusion.
- The recent increase in poverty levels are of course linked to the direct effects of the economic crisis CEEP also argues that high income countries have tended to reduce a range of social protection benefits and limited access to quality public services during

the crisis, thereby eroding the European social model as shown in the 3 June ILO report on social protection.

- CEEP agrees that to address poverty, we need to modernise the national welfare state systems in order to make them more resilient to cyclical economic downturn. The debate on how we can create collective mechanism and stabilisation functions at the European level e.g. a wide unemployment European scheme are important topics to debate for the long-term evolution of the European Union.
- However CEEP also believes that in the short term it is most needed to:
- Implement through the European semester the structural reforms most needed to reduce the structural divergence between the European Member States. These reforms should focus on growth enhancing areas and encourage the development of physical and social infrastructures which are the very basis of productivity gains.
- National ownership is essential in order for the reforms to be sensitive to different national contexts. In this regard, we believe that the Social protection committee greatly contributes through its regular analysis to the understanding of the global societal effects of the crisis and the reforms implemented.
- The European social partners are regularly invited by the Employment committee and we consider it as being a good practice. However, even though we used to be invited in a similar format in the SPC, it is no longer the case and we believe this to be detrimental for this reinforced ownership of the semester we are urging for.
- The Europe 2020 strategy should remain the guiding approach and the new College and related Commission services must ensure that inclusive growth is re-instated as a key driver of EU policy over the next six years.
- CEEP welcomes the increasing priority given in the European Social Fund to poverty and social exclusion is also welcomed along with the newly adopted Fund for European Aid to the Most Deprived.
- The commission launched several initiatives in order to contribute to inclusive growth. The Social Investment Package rightly stressed that social policy brings a strong and sustainable return on investment in wellbeing, inclusion and employment this comprehensive vision should further guide the European initiatives in the coming years.

## Workshop I: Labour mobility in the European Union: challenges and perspectives

- CEEP welcomes the ambition of the Italian presidency to focus on the essential question of mobility.
- In this regard, CEEP deems important that the soon-to-come mobility package fully takes into consideration the positive as well as the adverse effects of mobility.
- Indeed, mobility can improve the allocation mechanism of the labour markets by ensuring the right conditions for people to move across sectors, occupations and borders.  
But for an individual to truly benefit from it, he needs to enjoy a certain level of protection in order to have secured career paths through better transitions in the labour market, e.g. increasing productivity levels at national level.
- CEEP deems essential to improve language learning in the EU at all ages and all educational levels.
- In order to ensure a better information and enough support and advice, EU mobile citizens needs to be fully informed when they engage into mobility, in line with the directive on the enforcement of existing rights for mobile workers.
- CEEP welcomes the focus on youth mobility, notably through the ERASMUS+ and “your first EURES job” programmes. CEEP supports these programmes which can effectively improve students’ mobility as well as to ease young workers’ geographical and occupational mobility.
- CEEP wishes to convey the message that any modernising process for improving the coordination of national social security systems to reflect legal and societal changes and in view of facilitating mobility needs to fully respect national social law and working conditions, in accordance with the diversity of social protection and industrial relations systems throughout Europe.
- In order to fully take into account the positive and adverse effects of mobility, CEEP deems essential to assess through proper statistical analysis the impact of workers and students’ mobility in order to develop informed and fact-based mobility policies at EU level.
- Mobility brings into consideration the important issue of “brain drain”, with potential severe social consequences such as, for instance in the healthcare sector, a phenomenon of “care drain”; meaning shortages of specialist and health professionals in rural areas, and which worsens asymmetries among the different Member States.
- Mobile EU workers increasingly possess high qualifications: 36% of them had tertiary education in 2012 compared to 22% in 2000.
- The recent increase in labour outflows from Southern European countries is characterised by a disproportionate share of tertiary graduates among those moving, which attests the current lack of economic opportunities in Southern Europe. And in

fact, mobile EU workers are often over-qualified for the jobs they perform in the host countries.

- Over-qualification is a particular issue in the case of Central and Eastern European workers, who often perform low and medium-skilled occupations in 'older' EU countries.

## **Workshop II - EMU-wide automatic stabilizers: towards a common Unemployment Benefit Scheme?**

- CEEP has long argued that the undifferentiated fiscal consolidation strategies implemented in response to the economic crisis, with only downward general adjustment, may have curtailed public services and weakened the effectiveness of automatic social stabilisers at the national level.
- We now have some concrete options on the table for completing the EMU with a proper budgetary capacity, fit for implementing ambitious automatic stabilisers at EU level such as the European wide unemployment scheme.
- The debate has been enriched with many studies since the blueprint on deep and genuine EMU and the European Councils of December 2012 and 2013. This is an important progress as it is the acknowledgement of the need to mitigate short-term cyclical downturns occurring in part of the EMU.
- However, CEEP believes that timing is a core element which needs to be fully taken into consideration for striking the right balance in a future EMU policy-mix.
- Fiscal consolidation in some cases was too fast-paced. This led to a lack of EMU-wide effectiveness and it turned out an obstacle to growth at the end of the day.
- We might repeat the same mistake in pushing too quickly for this EU-wide unemployment scheme. The long-term should remain our timeline for implementing such an ambitious toolbox. And we should only move forward if it results to be the right way to go, which CEEP strongly doubts.
- Indeed, the ways in which it should complete the Member States unemployment scheme is still blurry and its connection to activation policies is far from obvious.
- The wide discrepancies between the Member States today make insanely complicated any political discussion on this topic. The first step for establishing an EMU-wide stabilisation function should be the re-balancing and adjustment between countries through growth-enhancing structural reforms and publically-motivated investment campaigns.
- There is clearly a "reform fatigue". However, the re-adjustment still has to go through the European semester. In this framework, the proposal for contractual arrangements is interesting and could help revive the reform processes.

- They would need to be tailor-made to the specific needs of each country, remain focused on a limited number of key sectoral and institutional weaknesses and primarily concern areas where there are significant impediments to growth, jobs and the smooth functioning of EMU.
- They could contribute to facilitate and support sound policies and could help mitigate short-term cost of reforms.
- Finally, they should be based on national ownership and fully involve national authorities and institutions before their endorsement by the Council.

## The importance of the social economy

- CEEP believes that the social economy or third sector calls for a differentiated vision at the European Union level. Social economy as such is an artificial concept as it contains a wide variety of economic and social realities at national level. The concept of social services may be better to encompass this diversity.
- In this regard, CEEP believes that, first of all, we collectively need at the EU level to clarify the concept of social services through mapping exercises. The previous definitions at EU level have been encompassing too many different concepts and realities. For instance, the Social Business Initiative of 2011 highlighted that the purpose of social enterprises is to have a social impact and serve the community's interest. We see no difference between this definition and the SGIs social objectives which CEEP also represents. This is a clear lack of clarity.
- It is capital to acknowledge that these services are quickly evolving and are conducted by new operators. CEEP counts among its members several umbrella organizations providing social services in various countries including France, Belgium and Austria and witnessed firsthand their relevance for the European economy.<sup>1</sup>
- We deem the development of these services as crucial to overcome societal problems which are emerging arm-in-arm with the economic crisis consequences. When dealing with social instability, the recourse to cooperative development is key.
- Their development is essential for several reasons:
  - In the context of fiscal consolidation public expenditures have been significantly streamlined, such as in the healthcare sector or in the education sector. Therefore, the development of social services may be seen as a response to the recent weakening of traditional public services.
  - Dependency is becoming a major concern in the context of demographic ageing and needs to be followed by a true development of the care services. The projected

<sup>1</sup> According to the Mapping of public services exercise which CEEP regularly conducts social services are an important part of the economy: Indeed, on a snapshot, the public administration employs more than 15 million people so as the education sector, the health and social activities sectors employ more than 21 million people. Together, these sectors invested 288 € bn into the economy in 2006 (and 216€ bn in 2010).

dependency ratio is foreseen to pass from 27,48% of the population in 2014 to almost 50% in 2050.

- The staff working document of the EC accompanying the social investment package further highlighted that the health and social work sector has, in recent years, been the single largest contributor to employment, accounting today for about 10 % of employment. While the European Union lost more than two and half million jobs between 2008 and 2011, the sector generated over 2.8 million new jobs during the same period.
- In times of crisis, if the State expresses a strong visible support to social services, it might be answered positively by citizens. This could help to reduce the important skepticism and defiance toward the State's institutions which we sadly witnessed during the last EP elections.
- There is one concrete way to encourage the recourse to social services and to make them a proper long-term sustainable solution for Europe. It has to go through their definition at national level, the improvement of their access to finance and the creation of new funding mechanisms.