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## **RESTRUCTURING FORUM CLIMATE CHANGE 22-23 JUNE 2009, BRUSSELS**

**ROUND TABLE “THE ROLE OF SOCIAL PARTNERS IN CLIMATE CHANGE POLICIES”,  
TUESDAY, 23 JUNE 2009, 11:00- 12:30**

**SPEAKING NOTES FOR THÉRÈSE DE LIEDEKERKE  
MANAGING DIRECTOR OF BUSINESSEUROPE**

### Facts and figures

- BUSINESSEUROPE supports ambitious action to combat climate change.
- The EU is responsible for approximately 15% of the world's emissions (compared with more than 20% for the US and China). However, the EU is the only major economy that has reduced its emissions in recent decades.
- Industry is making huge efforts to contribute to reaching the ambitious targets the EU has set itself. Despite increasing production, European industry reduced green house gas emissions by 13% between 1990 and 2006 and improved its energy efficiency by 25% between 1997 and 2007. Under the EU emission trading system, industry will reduce its emissions by a further 21% between 2005 and 2020.
- The global carbon market is projected to grow to cover Euros 4.8 trillion by 2015. There are many business opportunities. However, whether we like it or not, the truth is that in the absence of an international agreement, European competitiveness will be jeopardised and jobs will be lost in Europe without improving the climate situation.

### Risks and opportunities of climate change policies

- Moving towards a low-carbon economy creates both risks and opportunities. Europe needs to devise policies that will maximise those opportunities and minimise those risks. BUSINESSEUROPE has a contribution to make on how to achieve this.



- Ensuring a fair spread of climate change efforts between different strands of society within Europe and between different countries in the world means that:
  - Energy and climate change policies must be examined in the wider context of Europe's overall growth and jobs strategy.
  - Technology and market oriented mechanisms to promote sustainable consumption and production must be given precedence.
- Efficiency and diversification of energy sources must be promoted, especially in areas where untapped possibilities for improvement exist such as the residential or the public sectors.
- New burdens on companies must be avoided and ways must be found to mitigate adverse impact on competitiveness and employment when mechanisms such as ETS are implemented.
- The international climate change conference in Copenhagen in December 2009 must start a process to establish a real level playing field worldwide. The EU must persuade major polluters to do more. Until the level playing field becomes a reality, EU industry sectors exposed to risks of carbon leakage must keep a 100% free allocation of emissions allowances under ETS. Otherwise, these sectors will not be able to compete on world markets.

## Labour markets implications of climate change policies

- Moving towards a low-carbon economy will imply a process of job creation, job destruction and job adaptation.
- Innovation is key. The US has included \$100 billion for "green" research and development in its economic recovery plan. The EU is a world leader in researching green technology, but lags behind the US in bringing the results of its research to the market.
- Companies that are investing in sustainable production are already experiencing skills gaps today. Adequate training policies are needed to ensure that skill shortages are not undermining the benefits of "green" investment.
- Very little is known about future skills needs and the impact of climate change policies on employment. Seeking to identify too narrowly defined skills required would therefore be a mistake. Many speakers acknowledged the need to improve research on the direct and indirect employment impact of climate change policies.



- The issue of green jobs is high on the agenda. But in reality many questions remain about this concept. There are no pre-defined “green” jobs to be promoted. “Greening” takes place in a variety of products and production processes, cutting across different branches and activities. Solar and bio technology for example would not exist without the chemical industry. Environmental protection is much more complex than the “green jobs” concept suggests.
- Without profits, companies will not be able to invest further in low-carbon technologies. Economic success is not incompatible with social and environmental responsibility. Policies need to be at the same time economically, ecologically and socially responsible. The real way forward is to ensure that environmental protection, employment growth and economic development go hand in hand. Looking at the economic side of the equation is particularly important in current crisis circumstances.

## The role of social partners

- Social partners clearly have a role to play in dealing with the labour market implications of climate change policies. We have developed joint orientations of reference on how to manage restructuring. They provide a useful tool kit to manage changes linked to the transition to a low-carbon economy.
- The new work programme of the EU social dialogue for 2009-2010 aims at agreeing on the appropriate mix of macro and micro labour market policies to stabilise the economy and achieve sustainable development.
- Two key initiatives deserve to be highlighted:
  - A joint recommendation on the post 2010 Lisbon agenda,
  - Development of a joint approach to the social and employment aspects of climate change policies.
- The discussions held during the two days of this restructuring forum undoubtedly provide food for thought for this ambitious future joint reflection.
- Without waiting for the results of such comprehensive joint work, the European Social Partners already recommended to use the European Social Fund to finance programmes aimed at stimulating employment in the low-carbon economy in a Joint Recommendation on the use of the ESF in times of crisis presented at the Employment Summit on 7 May 2009.
- Social partners can also contribute to putting into place environmentally, socially and economically responsible climate change policies through individual actions.



- To facilitate the emergence of a world consensus on an ambitious agreement in Copenhagen in December 2009, BUSINESSEUROPE is regularly discussing climate change with sister organisations in the US, Japan, India and China.
- Crucial implementation measures of the ETS Directive aimed at protecting EU competitiveness and preventing carbon leakage must be clarified in order to provide business with the long-term predictability that it needs to take investment decisions. BUSINESSEUROPE actively contributes to this work and urges the Commission to involve industry in a more transparent comitology process.

## Conclusion

- Sustainability-oriented economies and societies require the commitment from all. Business is ready to do its share and has proven it.
- Taking better account of economic requirements when devising EU environmental policies and balancing the protection efforts within Europe and in the world is indispensable to meet the climate change challenge. European companies alone cannot do it.
- Social partners have a special responsibility to anticipate and accompany restructuring. This is also true for change induced by energy and climate change developments. We can help finding solutions that will maximise opportunities and minimise risks if we take a balanced approach and avoid ideological or conservative positions aimed at preventing change.

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