



Finding the win-wins amongst environment and employment policies

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Policy background

- **Lisbon Agenda and Sustainable Development Strategy promote economic, social and environmental action**
 - **Tackling unemployment, cohesive communities, protecting the environment, more and better jobs – all seen as priorities**
 - **Integration is often the key**
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Do Europeans care?

- **Eurobarometer survey November 2004**
 - **Almost 90% think environment should be included in policy making, not just economic and social**
 - 72% say environment influences quality of life as much as social factors and 78% say more than economic factors
 - Top 4 worries are – water pollution, man-made disasters, climate change and air pollution
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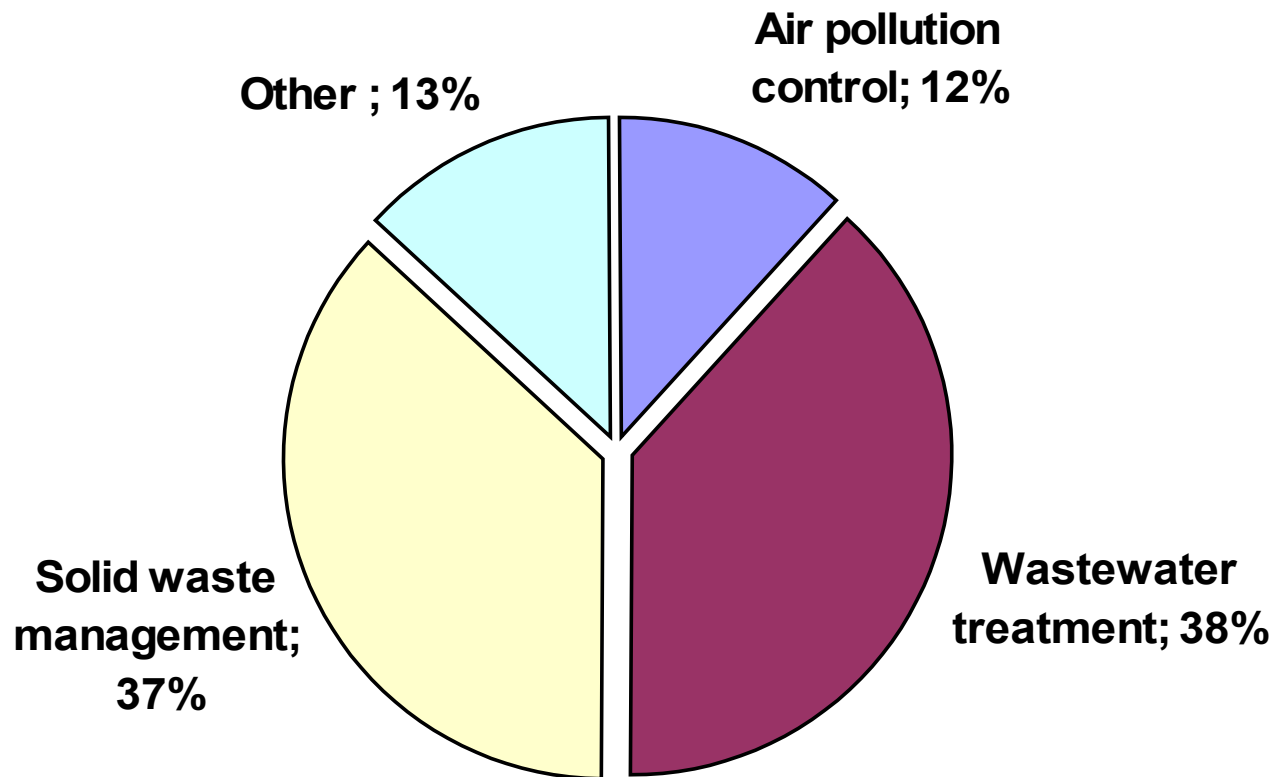


Eco-industry, a new and growing sector

- **EU's eco-industry turns over €200 billion a year so between 1% and 2% of jobs and GDP (more than aerospace or pharmaceuticals)**
 - **Area of growth – around 5 per cent per annum at latest estimate**
 - **Exports up 8 per cent and trade surplus of €600 million - first-mover advantages**
 - **Environmental policy supports structural change towards clean production**
 - **Environmental policy net contributor of jobs**
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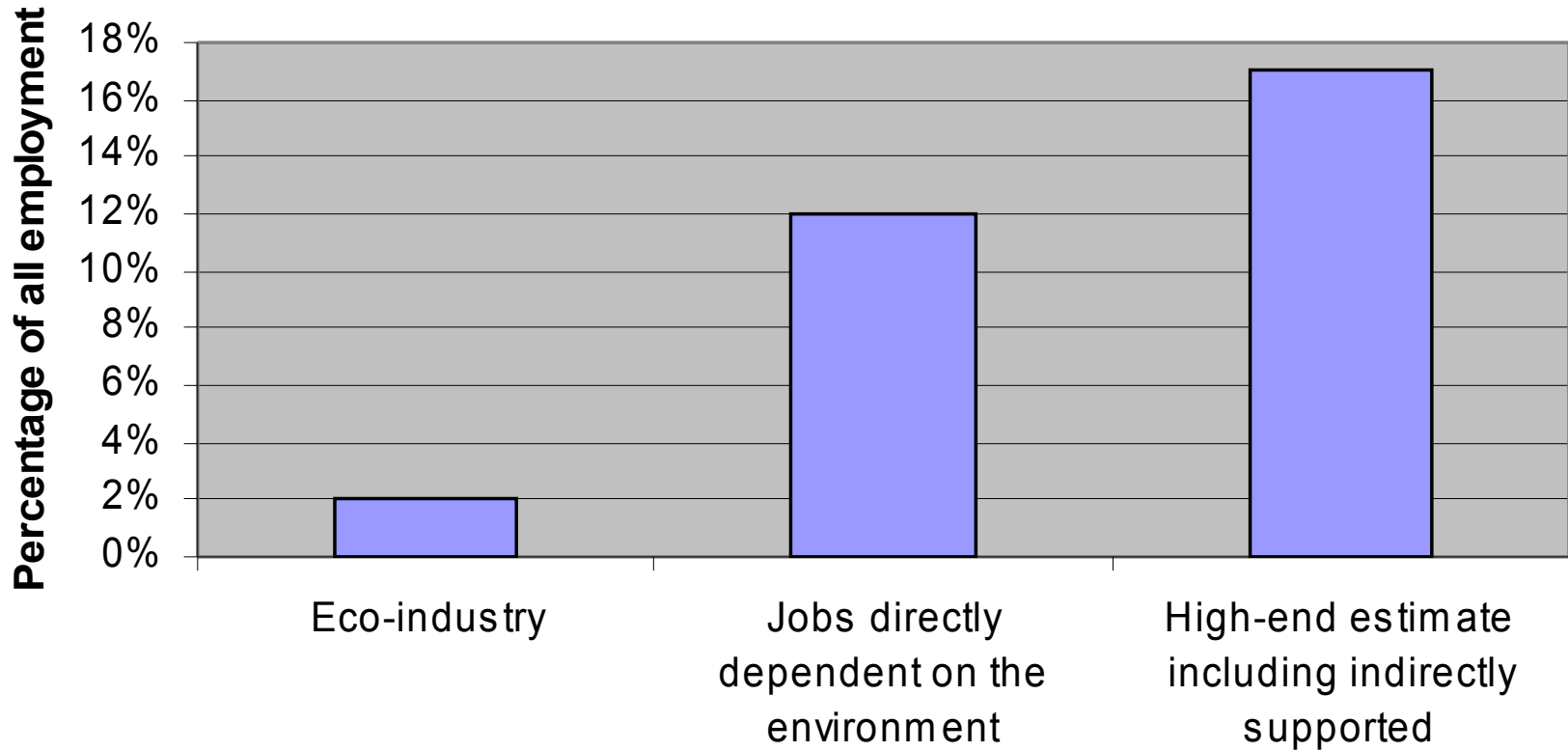


Environmental expenditure by type





Jobs and the environment, a Welsh example





New Member States

- **Sector around 1% of total employment, likely to catch-up and absorb some existing capacity**
 - **Jobs likely to be geographically spread**
 - **Necessary for supporting service sectors especially tourism**
 - **Structural Fund money available – need to invest it wisely**
 - **Changing infrastructure once it is in place is costly given its lifetime, so it is cheaper to act now than later**
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Environmental policy, good for business

- **Waste prevention and efficient use of resources and energy save companies money**
 - **Corporate Social Responsibility evidence business believes it can pay off**
 - **Environmental standards act as a strong dynamic for “innovation”**
 - **First-mover advantages as other markets follow**
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Reducing risks for business

- **Postponing action now will cost more in the future**
 - **Health costs of no further action on air - €50 -100bn each year including 350.000 premature deaths and loss of 150 million working days**
 - **Recent costs of extreme weather events - \$27bn global insured losses in 2004**
 - **Insurance industry estimates of costs of climate change - \$100bn pa in 2010**
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Making it happen (1)

Environmental tax reform

- **Shifting burden of taxation away from labour and onto pollution**
 - **Can lead to double dividend ie reduce pollution and increase jobs under certain conditions**
 - **Environmental taxes currently static at around 6.5% of total tax revenue (energy, transport etc)**
 - **Number of Member States looking to shift expenditure**
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Making it happen (2)

Getting prices right

- Making the market work to deliver objectives efficiently
 - Emissions Trading Scheme broadly halves costs of Kyoto, down to 0.1% of GDP
 - Other examples in waste, water, biodiversity
 - Removing perverse subsidies that act as a barrier to change
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Making it happen (3)

Environmental Technology Action Plan

- Eco-innovation is good for business and creates new jobs
 - Commission working to promote research and development, mobilise funds, drive demand and improve market conditions
 - Member States sharing experiences and best practice
 - Costs of technologies can fall by 10 % a year
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Making it happen (4)

Investing in lifelong learning

- Promoting integrated processes often leads to in-firm training
 - Well-trained environmentally aware workforce open to eco-innovation
 - Good examples included in European Structural Funds eg 800.000 Spanish workers, 70.000 UK construction workers
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Making it happen (5)

Tackling social inclusion and the environment

- Well documented link between poverty and poor environment
 - Joining-up policies for local environment and social cohesion can pay off eg in urban areas
 - Assessing the distributive effects of policies
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Making it happen (6)

Improving communication

- Aarhus Convention established rights for citizens: access to environmental information, public participation in environmental decision-making, right to challenge
 - Stakeholders valuable input for providing data, preferences and a reality check
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Making it happen (7)

Better regulation

- Commission adopted Impact Assessment framework: analysis of economic, social and environmental impacts in one framework
 - Reducing costs allows social and environmental goals to be met with minimum friction
 - Simplification including of administrative procedures
 - Applies at all levels such as sustainable cities
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Conclusion

- Environmental policy can be good for creating and safeguarding jobs
 - Environmental policy can be good for business
 - Need to make it happen by choosing the right tools and using them efficiently
 - Complex world calls for integrated solutions
 - Calls for action at all levels and from all players together
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