



European Employment Observatory

EEO Review: Promoting green jobs throughout the crisis, 2013

Slovenia

Miroljub Ignjatović

University of Ljubljana, Faculty of Social Sciences

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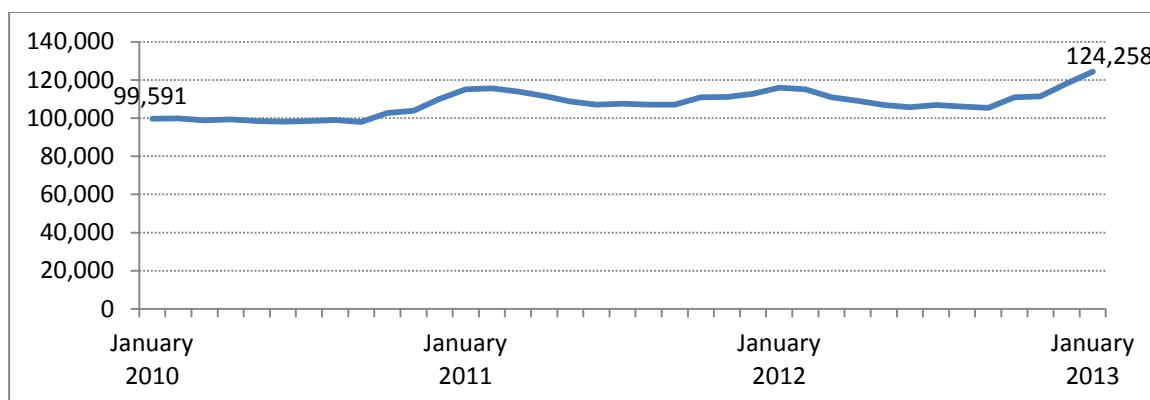
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1. Introduction: employment in the green economy

The current financial and economic crises in Slovenia recently escalated to a political and social crisis. This is adding to the further deterioration of the situation in the Slovenian economy and labour market since political negotiations are detracting from finding policy solutions for economic restructuring.

Investments in the green economy should be one of the most important solutions for increasing unemployment and relatively low job creation, but austerity measures implemented by the Slovenian Government have reduced the scope of current development mainly to financial consolidations. This is affecting the economy and in particular consumption, which is an important factor in the country's exit from the crisis. In such a situation little attention is given to the more innovative approaches to job creation; more precisely to the creation of green jobs and to the green economy. According to environmentalist and Nobel Prize winner Lučka Kajfež Bogataj: 'concern for the environment has not been recognised as a business opportunity' (STA, 2010). Thus, a comprehensive strategic transformation promoted by the Slovenian Government towards the green side of the spectrum is still missing.

Chart 1: Registered unemployment in Slovenia, 2010-2013



Source: ESS, 2013.

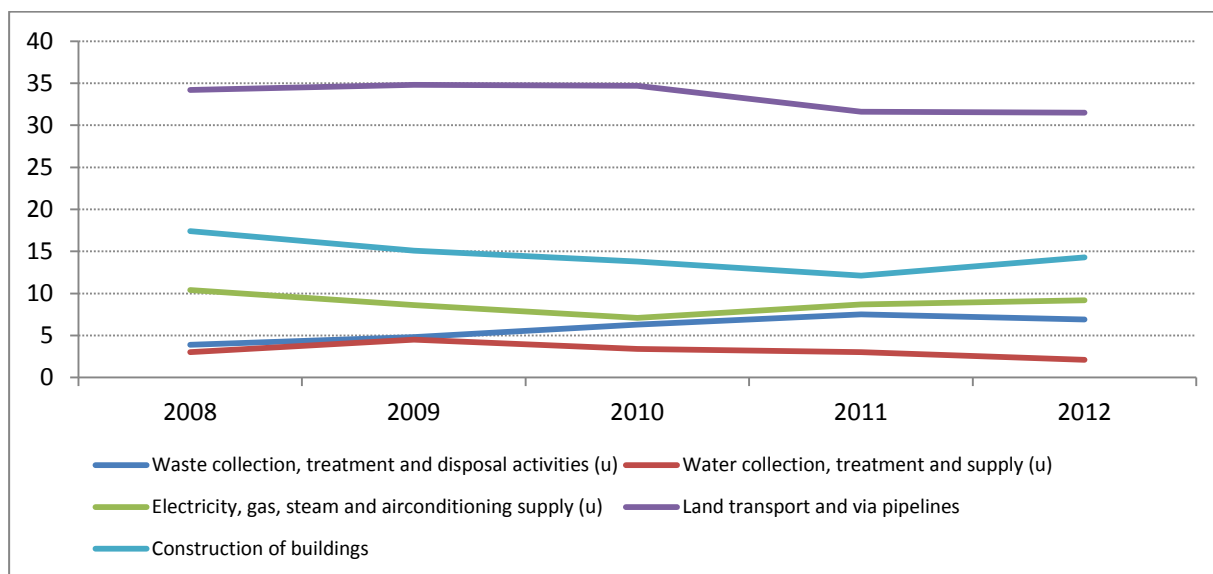
Meanwhile, many Slovenian companies have recognised the opportunity that the transformation to the green economy offers, however their main motivation is the potential for reduced costs, rather than a shift towards 'thinking green'.

Currently, there is no data available on employment in the green economy in Slovenia. According to the Slovenian Foundation for Sustainable Development (Umanotera), green jobs are classified into two groups. The first are traditional environmental jobs that reduce impact on the environment. The second are those development-oriented activities that create new products and services, which are in essence environmentally-oriented. These are primarily in the energy sector (renewable energy and efficient energy use); recycling and the use of secondary raw materials; organic farming and nutrition; forestry and wood industry; protected natural areas (tourism); researchers working in these areas and employment in non-governmental organisations (NGOs).

As there are no official numbers on green employment in Slovenia, the Employment Service of Slovenia estimates that the number of jobs in the development or use of new green technologies is relatively low. 'The overall assessment is that typically green jobs represent only about 2% of all jobs, but increasingly other jobs are adapted to the green development.

This means that we can talk about the transition from green jobs to the greening of jobs and the economy' (Finc, 2011).

Chart 2: Employment by detailed economic activity (in 1 000s)



Source: Eurostat, 2013.

Note: (u) – unreliable data

Eurostat offers some data on employment by economic activity which could be related to the green economy (see Chart 2). In general, all activities are following the same pattern as the Slovenian labour market is showing, which is a trend towards job loss. On the other hand, there are signs of a slight increase in employment in activities such as waste collection, treatment and disposal, and electricity, gas, steam and air-conditioning supply.

2. Selection of green employment promotion strategies and programmes with low-carbon / environmental objectives or activities

From 2005 onwards, Slovenia has produced a number of documents with recommendations and measures for increasing economic growth and employment at the national level. These documents also included measures for achieving sustainable development (including environmental issues), but almost all of them are not seeking explicit synergetic effects between the economy, the labour market (employment) and the environment. One distinctive feature of the majority of Slovenian documents is also that there is no explicit usage of the terms 'economy greening' or 'green jobs', although there are implicit intentions and expectations that the measures used would have these effects.

In practice, besides setting up the basis for future activities, measures for greening the national economy are mostly in relation to co-financing the development of projects for long-term competitiveness and strategic projects from companies in the field of clean technology and technologically advanced industry. In the field of active labour market policies, all measures (especially the public works programme) are expected to provide some positive impact on the greening of the economy.

In the public sector, green measures have been limited to (due to the financial constraints) energy rehabilitation of buildings in public ownership (which should somewhat help the

construction sector with new orders) and to the adoption of green procurement (by introducing 14 measures). The latter should decrease the negative effects of the public sector on the environment, encourage the development of products and services which are easier on the environment, ensure more efficient use of public finances, and provide a good model to the business sector and consumers. Another measure, which should also improve financial sustainability, is the introduction of elements of green tax reforms, with the intention to increase tax on polluters and reduce the taxation of labour.

More concrete activities and measures related to the creation of green jobs are being taken by the Ministry of Agriculture and the Environment. As Minister Franc Bogovič stressed in an interview with the Slovenia Press Agency (STA), the real objective is to create from 5 000 to 10 000 such jobs in one mandate (Politikis, 2012).

On the other hand, it seems that the financial situation and austerity measures are too large of obstacles for such objectives. Thus in September 2012, 10 representatives of nature conservation organisations and institutions addressed an open letter to the Ministry of Agriculture and Environment, Ministry of Finances and the Prime Minister, in which they drew attention to a deteriorating use of European funds in the field of nature conservation and the environment. Furthermore, the Ministry of Agriculture and the Environment announced that it will not contribute 20 % of the value for the new LIFE+ projects, which were until now co-financed predominantly (50-75 %) by the European funds (Polak, 2012). Furthermore, in the last year the Slovenian Government abolished four institutions that worked in favour of sustainable development and carbon reduction.

It seems that the social partners¹ and especially NGOs are more proactive in demanding more concrete measures in one comprehensive strategy, and in producing practical synergies between economic and environmental goals. Increasing the number of NGOs was and is critical for the recent documents produced by the Slovenian Government².

As Slovenia's new Development Strategy 2014 – 2020 is being prepared, a group of NGOs proposed an addition or alternative to the document in the form of a 'Plan B for Slovenia 4.0'. The document represents a structured initiative for a breakthrough in green development and contains six vertical and five horizontal support programs. Plan B for Slovenia 4.0 is based on the development potential of Slovenia and proposes measures to overcome the current financial, economic and social crisis. Based on the document proposals, Dr. Plut estimates

¹ Despite the fact that the new Social Agreement is missing from 2009 onwards and that tripartite negotiations are overwhelmingly preoccupied with issues related to the labour standards and increasing flexibilisation of the labour market while long-term sustainable development is put to the side. It seems that decision makers in Slovenia still see sustainable development as an obstacle to economic development and competitiveness and not as a unique opportunity and comparative advantage for Slovenia.

² For example, in 2010, a group of NGOs issued the following statement: 'We recognize that the exit strategy talks a lot about the employment policies, education and sustainable energy. But we miss the clear link between the policy of promoting employment, education and training for workers for more demanding jobs with higher value added and promoting measures for the transition to a low-carbon society. There is a lack of clear expression of political knowledge that such a link exists, and that coordinated policy will be pursued on that basis ...

'The economic crisis means breakthrough opportunity, as an ambitious introduction of sustainable economic policy in all sectors of the economy brings new and better jobs, or jobs with higher value added' (Plan B za Slovenijo, 2010).

that Slovenia could create 50 000 to 60 000 green jobs by 2030 (20 000 to 30 000 jobs in the wood industry; a minimum of 20 000 jobs to raise the country's ability to produce sufficient supplies of food internally from 60 % to 80 % and to increase the role of labour-intensive sustainable agriculture; 7 000 to 10 000 jobs in systematic energy renovation of public and private buildings; and at least 5 000 jobs in providing energy efficiency and greater use of renewable energy sources) (Beltran, 2012).

3. Detailed description of practices and opportunities

The above mentioned document (Plan B for Slovenia 4.0) proposes subsidies that should be available in areas that promote innovation and increase efficiency. With the aim of raising productivity in various sectors and companies, the document proposes a broader concept of innovation. The main opportunities that Slovenia can take advantage of in innovation and competitiveness are found primarily in the exploitation of innovative research in the private sector. The relationship between the non-governmental sector and government institutions is also important.

NGOs play an important role in the design and implementation of sustainable development and participatory democracy. Slovenian environmental NGOs are, despite the great support and public trust, in an underprivileged position in relation to other NGOs, especially due to the unsolved problems of financing and staff capacity (54 % of NGOs do not have staff with full-time employment).

Since the green economy segment is still under development in Slovenia and there is no systematic and strategic transition towards the green economy (as the financial crisis certainly affected this development), we will in the following pages present nine segments that are especially interesting regarding the potential for green job creation in the near future. Here we will use sources that have covered those segments (Beltran, 2012; Čepelnik, 2012).

3.1 Solar energy

The solar potential of Slovenia is 300 times higher than primary energy consumption. Slovenia currently utilises less than 3 %. Since there are no great variations in the solar potential, the installation of photovoltaic and solar panels is possible across the whole region.

Solar energy may employ different segments of the workforce, including research and development, manufacturing solar panels and photovoltaics, maintenance and overhaul of the system, sales, marketing, and others. Production of photovoltaics and solar cells require both highly skilled and lower skilled workers. It is estimated that the photovoltaic industry already employs about 3 000 people. Further investments in solar power plants provide multiplier effects for the economy and contribute to more decentralised development of Slovenia. This approach also leads to energy independence and security. Currently the most successful Slovenian company in the field of solar energy is Bisol, which employs 300 workers (Internet: <http://www.bisol.com/si/>).

3.2 Hydropower

Slovenia generates about 25 % of its electricity through hydropower, which is the highest percentage of energy produced in the context of renewable energy sources. Despite the high percentage of electricity generated by hydropower it does not employ many workers, because the technology is high-tech and mostly managed digitally via IT systems.

On the other hand, the Slovenian energy infrastructure (network infrastructure, thermal power and nuclear power infrastructure) is ageing and will need replacement and new investment. To meet the international obligations regarding the share of renewable energy sources, Slovenia must also invest in renewable energy production capacity as well as in the network. This would enable the integration of a high proportion of renewable energy within the network. The production of electricity from renewable energy sources should prompt a thorough overhaul of the basic distribution network with an input of EUR 320 million by 2020.

3.3 Wind turbines

Slovenia lags behind many EU countries in the exploitation of wind energy. Some already designed projects have been postponed due to the concerns of some environmental organisations.

The design of wind turbines requires people in the field of meteorology, engineering, electrical engineering, production operatives, builders, maintenance, electricity, and experts in marketing and project planning. To ensure a skilled workforce in this area it is necessary to provide appropriate education and professional training. According to some estimations, the establishment of two sites (Volovja reber and Griško) would mean about 700 new jobs.

3.4 Biomass

Slovenia is rich in forests. Sustainable management can increase the use of wood for manufacturing, construction and energy purposes. Jobs in the biomass sub-sector can be found in manufacturing, production, processing, logistics, marketing and distribution. The biomass sub-sector is the most labour intensive sector. As already presented, according to Dr. Plut, there is a potential to increase the number of jobs from 20 000 to 30 000 by 2030.

3.5 Geothermal energy

Similar to hydropower, geothermal energy does not employ a large workforce. However, in this case the reason is the lower percentage of electricity from geothermal energy exploitation.

The greatest source of geothermal energy in Slovenia can be found in Prekmurje which is also the region with one of the highest unemployment rates in Slovenia. Thus the potential exploitation of the geothermal energy in this region could have great impact on reducing unemployment. The use of geothermal energy is currently mainly focused on spas in combination with space heating, the heating of greenhouses and district heating.

3.6 Eco-tourism

Slovenia has excellent conditions for eco-tourism. In 2012 the Slovenian Government adopted the Strategy for Slovenian Tourism 2012 – 2016 which derives from the vision that in 2016 tourism in Slovenia would be one of the bases for sustainable development. This strategy is also based on airport infrastructure, motorised traffic, flexible labour recruitment, and gambling facilities, etc.

On the other hand, the further development of eco-tourism in Slovenia depends on removing a number of barriers: poor conditions for sustainable mobility (especially poor functioning public transport); little support for organic farming and consequently insufficient quantity of local organic food; unsustainable construction of tourist facilities; energy inefficiency; inadequate waste management systems; rigid legislation and administrative barriers; lack of

well qualified employees in the travel and tourism industry; and the general lack of knowledge of sustainable practices.

3.7 Nature conservation and organic agriculture

Slovenia is a country with high biodiversity; it currently has the highest proportion of territory covered by the European network Natura 2000 protected areas. Despite the high proportion of territory under Natura 2000, the European Commission states that the current network in Slovenia does not satisfy the requirements of the Habitats Directive and the Birds Directive. At the same time Slovenia does not fully exploit all the EU funds at its disposal for the protection of nature.

On the other hand, Slovenia has a particularly low level of self-sufficiency with organic food. On average it is only 20 %, while demand for organic food is growing at a rate of 10-15 % annually. The low level of organic production, especially for the market, is associated with a number of structural barriers and an inadequate supporting environment. As already stated, the Slovenian Ministry of Agriculture and Environment has the objective to create from 5 000 to 10 000 green jobs in this segment.

3.8 Green construction

The scope of construction not only includes the construction of sustainable buildings, but also the renovation of existing facilities, including transport infrastructure, and in general entire urban areas.

The current financial and economic crisis hit the construction sector in Slovenia particularly hard. Employment in construction has declined in recent years due to job losses in large companies, but the potential for restructuring resides in the transition from a conventional construction sector to a green building sector. There are already successfully operating companies in Slovenia engaged in the construction of low-energy buildings, and low-energy construction and renovation of facilities that achieve better thermal-insulation. In this case, there are job opportunities for architects, builders, maintenance staff, vendors, marketing experts, engineers, construction engineers, and many others. Indirectly, companies that produce insulation materials, windows and doors, and those working in the field of renewable energy, are also associated with green building.

3.9 Green transport

The mobility system in Slovenia is unsustainable, because for decades it was based on investing in mobility by car and neglected public transport, in particular rail. Unsustainable mobility is also reflected in the quality of air in some major Slovenian cities.

There are opportunities for green jobs in public transport and alternative forms of transport where the green jobs are created indirectly, e.g. cycling, electric cars, hybrid cars and even electric aircrafts produced in another eco-friendly company, Pipistrel (Internet: <http://www.pipistrel.si/>).

4. Conclusion

The overall conclusion regarding green jobs and green economy development in Slovenia is that Slovenian development strategies and Slovenian policy makers do not pay enough attention to the potential of new green jobs. While the tripartite negotiations are overwhelmingly preoccupied with issues related to the labour standards and increasing flexibilisation of the labour market, the issue of long term sustainable development is put to the side. It seems that decision makers in Slovenia still see sustainable development as an obstacle to economic development and competitiveness and not as a unique opportunity and comparative advantage for Slovenia.

Non-governmental organisations play an important role in the promotion of sustainable development and they will probably have an important role in its design and implementation in the future.

And finally, Slovenia has many segments with good opportunities for creation of green jobs, and these should be exploited. A number of companies in Slovenia have already successfully transformed their jobs into green jobs. What is missing is a comprehensive strategy for long-term sustainable development promoted by state institutions and the Slovenian Government.

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