

Socially fair transition to a green economy



Social Situation Monitor
Research Seminar

Tuesday 14 May 2019
14:00 – 17:50

Crowne Plaza Hotel
'Serenity' Room, 2nd floor
Rue Gineste 3
1210 Brussels
Belgium

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About the seminar

The Social Situation Monitor

Each year the Social Situation Monitor (SSM):

- Carries out policy-relevant analysis and research on the current socio-economic situation in the EU on the basis of the most recent available data;
- Examines major issues which are features of the situation or affect it with the aim of providing evidence on which to base policy-making across the EU.

This initiative is directed by the London School of Economics (LSE), in consortium with ICF, on behalf of the European Commission. The team is led by the Academic Director, Dr. Bob Hancké from LSE, and the Project Director, Dr. Simona Milio from ICF. The team is composed of renowned academics and researchers from the consortium organisations reflecting a wide range of expertise.

More information can be found at:

<http://ec.europa.eu/social/main.jsp?catId=1049&>

The SSM seminar series

SSM seminars are research seminars. Their aim is to provide a forum to discuss the theoretical, methodological and policy implications of the latest economic and social research. More specifically, SSM seminars aim to inform:

- The economic and social analysis of the European Commission in general, and the Commission's *Employment and Social Developments in Europe* review in particular*.
- The economic and social analysis of the European Commission's stakeholders.
- The economic and social policies of the European Commission and its stakeholders.

SSM seminars are primarily intended to:

- Economists and analysts working in policy-making organisations;
- Academic researchers;
- Policy officers with an interest in economic and social analysis.

(*) The *Employment and Social Developments in Europe* reviews can be found in the European Commission's publications catalogue:

<http://ec.europa.eu/social/main.jsp?catId=1285&langId=en>

Seminar agenda

13:30 – 14:00 Registration

14:00 – 14:10 Welcome words
By Barbara Kauffmann (European Commission)

14:10 – 14:20 Introduction
By Bob Hancké (London School of Economics)

Part 1 – Green jobs and industrial relations

14:20 – 14:50 *Climate Policies and Skill-Based Employment Dynamics: Evidence from EU countries*
By Francesco Vona (OFCE, Sciences Po Paris)

14:50 – 15:20 *Characterising green employment: the impacts of "greening" on workforce composition*
By Karlygash Kuralbayeva (King's College London)

15:20 – 15:50 *Preliminary results of the EU co-funded project "Agreement - A green mentality for collective bargaining"*
By Paolo Tomassetti (University of Bergamo)

15:50 – 16:10 Coffee break

Part 2 – Green innovation, finance and consumption

16:10 – 16:40 *Investing in a Just Transition: why and how investors can support climate action with social inclusion*
By Nick Robins (London School of Economics)

16:40 – 17:10 *Employment and Performance Effects of Circular Economy Innovations*
By Jens Horbach (University of Applied Sciences Augsburg)

17:10 – 17:40 *Determinants and distribution of household GHG emissions in Belgium*
By Petra Zsuzsa Lévy (University of Antwerp)

17:40 – 17:50 Concluding remarks
By Loukas Stemitsiotis (European Commission)

Speakers & abstracts

Climate Policies and Skill-Based Employment Dynamics: Evidence from EU countries

Speaker Francesco Vona
OFCE, Sciences Po Paris

Bio Francesco Vona is senior economist at the OFCE Sciences-Po (observatoire français des conjonctures économiques), research affiliate at SKEMA Business School and team leader for Sciences-Po in the EU H2020 project INNOPATHS. He studied Statistics (undergraduate) and Economics (Ph.D.) at the University of Rome La Sapienza. He works at the intersection between labour and environmental economics with particular focus on the evaluation of labour market impacts of environmental policies. He is currently working on an evaluation of the labour market effects of the green part of the US American Recovery and Reinvestment Act, on the economic and environmental performance of French companies and on nonlinear policy effects of energy innovation.

Abstract The political acceptability of climate policies is undermined by job-killing arguments, especially for the least-skilled workers. However, evidence of distributional impacts for different workers remains scant. We examine the associations between climate policies, proxied by energy prices and a stringency index, and workforce skills for 14 European countries and 15 industrial sectors over the period of 1995-2011. We find that while the long-term decline in employment in most carbon-intensive sectors is unrelated to policy stringency, climate policies have been skill biased against manual workers and have favoured technicians and professionals. This skill bias is confirmed using a shift-share instrumental variable estimator.

Characterising green employment: the impacts of "greening" on workforce composition

Speaker Karlygash Kuralbayeva
King's College London

Bio Karlygash is a Lecturer in Economics at the Department of Political Economy at King's College London. Previously she was a teaching fellow at London School of Economics, a research officer at Grantham Research Institute at LSE and a research fellow at the University of Oxford. Her research interests include macroeconomics, development, climate change economics and environmental economics. Karlygash holds a PhD in Economics from the University of Oxford.

Abstract This paper estimates the share of jobs in the US that would benefit from a transition to the green economy, and presents different measures for the ease with which workers are likely to be able to move from non-green to green jobs. Using the US O*NET database and its definition of green jobs, 19.4% of US workers could currently be part of the green economy in a broad sense, although a large proportion of green employment would be 'indirectly' green, comprising existing jobs that are expected to be in high demand due to greening, but do not require significant changes in tasks, skills, or knowledge. Analysis of task content also shows that green jobs vary in 'greenness', with very few jobs only consisting of green tasks, suggesting that the term 'green' should be considered a continuum rather than a binary characteristic. While it is easier to transition to indirectly green rather than directly green jobs, greening is likely to involve transitions on a similar scale and scope of existing job transitions. Non-green jobs generally appear to differ from their green counterparts in only a few skill-specific aspects, suggesting that most re-training can happen on-the-job. Network analysis shows that the green economy offers a large potential for short-run growth if job transitions are strategically managed.

Preliminary results of the EU co-funded project "Agreement - A green mentality for collective bargaining"

Speaker Paolo Tomassetti
University of Bergamo

Bio Paolo Tomassetti (Ph.D.) is researcher in labour law at the University of Bergamo. In 2018 he published a monograph on labour law and environmental sustainability. He coordinates the project "Agreement - A Green Mentality for Collective Bargaining". He collaborates at the annual MIT on-line open-access course on Shaping the Future of Work, held by prof. Thomas Kochan.

Abstract The presentation will focus on the preliminary results of the EU project Agreement – A Green Mentality for Collective Bargaining. The project aims at investigating how and why collective bargaining can contribute to embed the principle of environmental sustainability into labour relations, without abandoning but reinvigorating the ideals of justice, equality and democracy that justify the traditional and selective goals of the EU social model and collective bargaining regulation. The research project is based on the idea that there is no contradiction between environmental sustainability and the fundamental functions of labour law and industrial relations. It is based on content analysis of collective agreements and interviews to social partners in the following countries: France, Hungary, Italy, the Netherlands, Spain and the UK. The Agreement project is co-funded by the European Commission, DG Employment, Social Affairs and Inclusion, under budget heading VP/2017/004 (Grant Agreement VP/2017/004/0037), Improving expertise in the field of industrial relations.

Investing in a Just Transition: why and how investors can support climate action with social inclusion

Speaker Nick Robins
London School of Economics and Political Science

Bio Nick Robins is Professor in Practice for Sustainable Finance at the Grantham Research Institute at the London School of Economics. He is working on the transformations needed in both financial practice and financial policy to deliver the Paris Agreement and the Sustainable Development Goals. A focal area is how financial institutions can support a just transition. From 2014 to 2018, Nick was co-director of UNEP's Inquiry into a Sustainable Financial System. At UNEP, he established the Network of Financial Centres for Sustainability (which has 20+ members in some of the world's leading hubs) and the Sustainable Insurance Forum, which gathers 20+ supervisors to focus on climate issues. He served as an observer on the EU's High-Level Expert Group on Sustainable Finance. Nick was head of the Climate Change Centre of Excellence at HSBC from 2007 to 2014, where he produced investment research on issues such as clean tech and climate risk. In the Thomson Extel awards for European investment research, Nick was ranked as #1 analyst for integrated climate change in 2009, 2011, 2012 and 2013. Nick has a BA in History from Cambridge University and an MSc in International Relations from LSE.

Abstract The critical need for the transition to be both fast and fair is recognised in the Paris Agreement. The evidence shows that the shift to a resilient, low-carbon economy will boost prosperity and be a net driver of job creation. There will be transitional challenges, however, for workers, communities and countries.

To address this, investor strategies on climate change need to incorporate the full range of environmental, social and governance (ESG) dimensions of responsible investment. As fiduciaries, investors can make an important contribution to achieving a just transition, as stewards of assets, allocators of capital, and as influential voices in public policy. To date,

investors have given insufficient attention to the social consequences of climate change. Investors do not need to reinvent the wheel to address the social dimension of climate change. There are a range of well-tested approaches that already exist.

This paper will present the findings of work led by the LSE's Grantham Research Institute, Harvard Kennedy School's Initiative on Responsible Investment, the Principles for Responsible Investment and the International Trade Union Confederation to show why and how investors can support a just transition. It will cover:

- the rationale for investor action: systemic risk, fiduciary duty, materiality, investment opportunities, alignment with societal goals
 - areas for investor action: investment strategy, corporate engagement, capital allocation across asset classes, policy advocacy and partnerships and learning and review
 - mobilization within the investor community, including \$8trn in assets supporting a statement on the just transition
 - challenges, trade-offs and dilemmas for investors
 - critical next steps for investor practice, regional, national and European policymaking and critical questions for further research.
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Employment and Performance Effects of Circular Economy Innovations

Speaker Jens Horbach
University of Applied Sciences Augsburg

Bio Jens Horbach is Professor of Economics at the University of Applied Sciences Augsburg. After his studies of economics (1982-1988) in Nuremberg (Germany), Horbach prepared his PhD thesis (1988-1992) as scientific assistant at the chair of Economics and Social Policy. From 1992 to 1996 he worked as scientific staff member at the Institute for Economic Research in Halle, from 1996 to 2010 Horbach was Professor of Economics at the University of Applied Sciences Anhalt in Bernburg. His current research focus lies in the empirical analysis of environmental innovations with their determinants and economic effects. The labor market effects of eco-innovations are especially in the focus of his empirical analyses that are always based on econometric methods. Horbach cooperates intensively with the Centre for European Economic Research (ZEW) in Mannheim and with the Institute for Employment Research (IAB) in Nuremberg. Horbach published his research in important economic journals such as Research Policy, Ecological Economics or Industry and Innovation. He is also corresponding editor of the Springer Series on "Sustainability and Innovation".

Abstract The Circular Economy (CE) focuses on savings on the shares of material, energy, and capital embedded in the product, more renewable energy or a higher recyclability and lifetime of products. It is a key element in greening an economy. The CE can influence the three dimensions of a sustainable development be it environmental, economic or social. CE related innovations help realizing these sustainability goals. Besides positive environmental effects, these innovations may induce a higher performance and employment. The positive performance effects of CE innovations may result from cost savings of a lower energy and material consumption or the recycling of waste or water leading to a higher competitiveness and product demand. The employment effects of CE innovations remain undetermined from a theoretical side of view. Process oriented CE innovations might have negative effects because the realization of these

innovations might be accompanied by higher labor productivity leading to a lower employment level. On the other hand, the realization of CE innovations may also induce direct positive employment effects because of the increased product demand. New CE related products may induce additional demand inducing a positive employment effect but an increase of net employment only results if the new product does not substitute a more labor-intensive product of the firm. The econometric analysis uses panel data of two waves of the Community Innovation Survey (CIS) 2014 and 2016. The estimations show that firms having introduced CE innovations from 2012 to 2014 are characterized by a significantly better performance measured by the turnover development from 2014 to 2016 and the financial standing in 2016 compared to other firms. The results of quantile regressions show that this is also the case for the employment development of CE innovative firms. Lower taxes for labor and higher taxes on resource use would strengthen the estimated positive employment effects.

Determinants and distribution of household GHG emissions in Belgium

Speaker Petra Zsuzsa Lévy
University of Antwerp

Bio Petra Zsuzsa Lévy is pursuing a PhD in social economic sciences at the University of Antwerp. Her current research focuses on determinants and distribution of household GHG emissions, and the distributive effects of climate policies. In the past, she worked on analyzing fiscal treatment of electric vehicles in the EU and evaluating Hungarian labour market policies.

Abstract Understanding demand-side drivers and distribution of increasing GHG emissions is key to design fair and equitable environmental policies. In this study we identify (i) socioeconomic determinants and (ii) the distribution of consumption-related GHG emissions on the household level in Belgium. We use a dataset that combines household-level consumption data with an input-output model, which quantifies the life cycle GHG emissions of goods and services that households consume. We identify socioeconomic determinants, by decomposing household emissions into household size, emission intensity and expenditure effects, and by multiple regressions analysis. We quantify distribution of household consumption-related emissions, by calculating concentration coefficients of emissions (ranking households according to equalised expenditures). We find that emission intensity (emissions per euro of expenditures) of households at the lower part of the income distribution is higher than that of richer households because poorer households spend higher share of their expenditures on emissions intensive products, especially on energy and housing. We also find that living standards and household size are the most important determinants of household consumption-related emissions. The expenditure-elasticity of household emissions is less than unity, i.e. emissions increase with expenditures, but in a less than proportionate way. However, the elasticity changes when emissions from different consumption domains are analysed. It is lowest for energy and housing and highest for services. The analysis of the distribution of GHG emissions show that emissions from services are relatively more important in the higher expenditures group, while emissions from food, energy

and housing and transport are relatively more important in the lower expenditure groups.

The venue

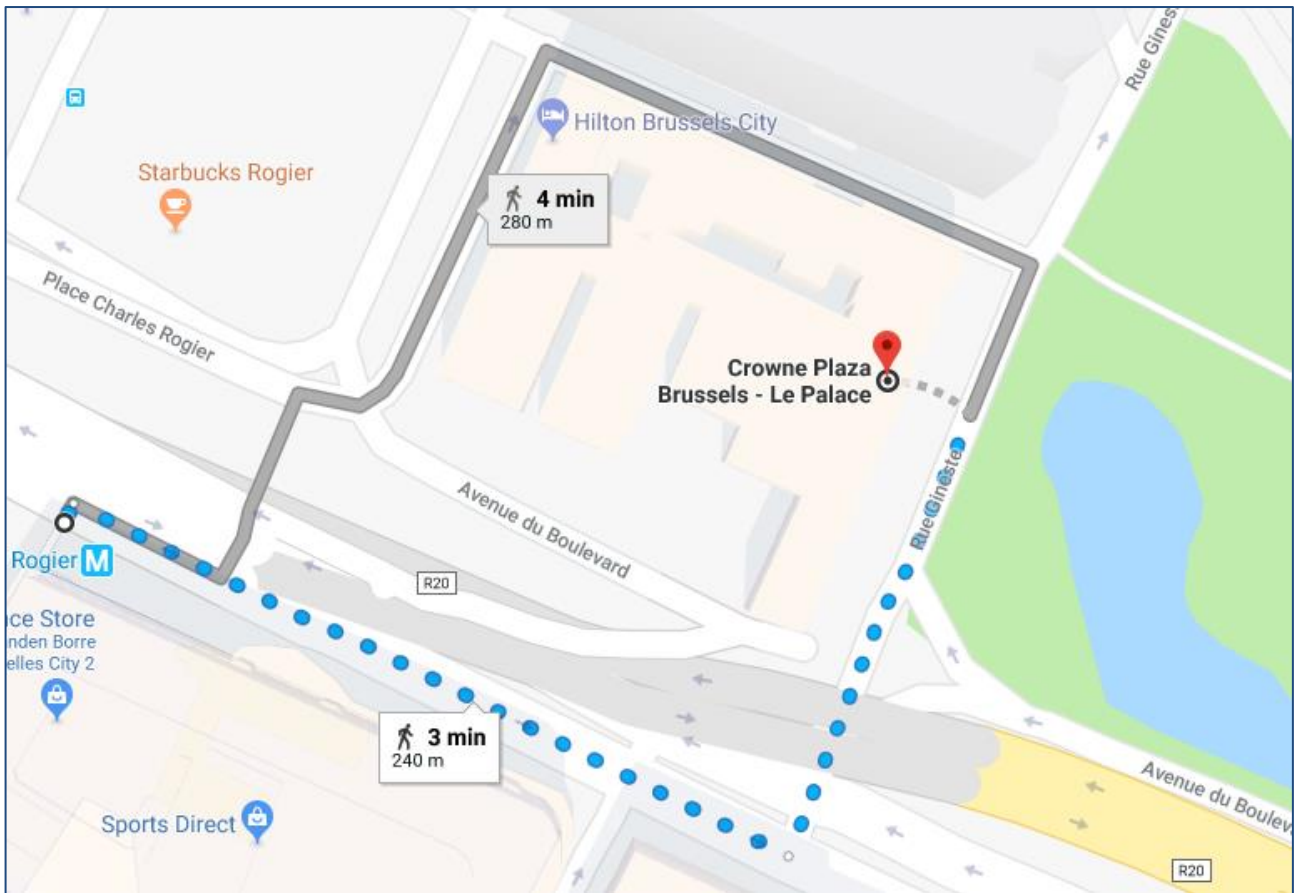


Crowne Plaza Brussels
'Serenity' Room
2nd floor

Rue Gineste 3,
1210 Brussels, Belgium

Metro: Rogier

Travel information



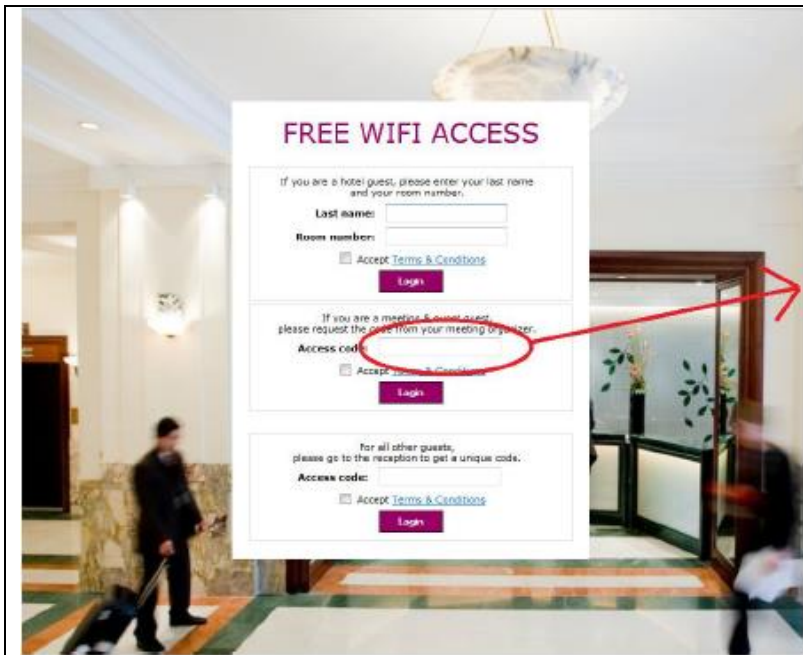
Starting point	Time to Crowne Plaza	How
Metro Rogier	3 min	Walk
Brussels North Station	6 min	Walk
Brussels Midi Station	18 min	Tram 3 or 4
DG Employment	14 min	Metro 2 or 6

On-site services

Wifi

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Contact and registration

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