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Introduction

This report aims to explore the future of employment in the European service industry from a sustainable development perspective, particularly in an environmental sense of the word. It also aims, based on best practices, to propose avenues for initiating social dialogue in services on environmental issues.

The service industry, long treated as a sector with a low environmental impact, has shown little interest in environmental issues. The urgency and depth of the climate challenge, and the growing share of the service industry in the flow of materials and GDP, are changing the situation. The ecological crisis will not be solved without taking a close look at services and their economics. For unions, this means that the future of services and associated jobs is dependent on their relationship to nature.

The report outlines the challenges of sustainable development for services (Section 1), before examining in detail the impact of climate and environmental protection policies on employment in UNI europa's service sectors (Section 2). Section 3 contains recommendations for a trade union action program in the service sector.

1. Services and sustainable development

1.1. Rethinking ways of consumption and production

Climate change is not just an environmental challenge. Today, global warming is becoming a major factor impeding human development (UNDP) and heightening social inequalities not just between rich and poor countries but also within countries. Although uncertainties remain about the extent of its long-term effects, particularly at the regional level, it is assumed that climate change cannot be stopped but only slowed down. It will hit Europe in particular, with effects being felt directly by the service sectors.

While developing strategies to adapt to the unavoidable effects of global warming, it is necessary to work on the causes of climate change, drastically reducing the amount of greenhouse gases (GHG) - especially carbon dioxide (CO_2) - that human activities have been generating since the beginning of the industrial revolution.

To enable the fight against climate change to make a contribution to sustainable development, it must be part of an overall approach encompassing on the one hand all the pressing environmental problems such as the depletion of natural resources - especially oil - or chemical hazards, and on the other hand, a demand for social justice.

This demand for social justice arises in relation to giving everybody access to natural resources available in finite quantities (energy, water). It also involves the retraining of workers and their families affected by the structural changes that will be needed to make the economy more sustainable.

Two strategic questions for the future of services from a sustainable development perspective concern services' ecological balance and their role in a sustainable economy.

1.2. Services' ecological balance

There are many economists and environmentalists who saw the growth of the tertiary sector, similar to the "dematerialization" or "knowledge economy", as a factor conducive to sustainable development. This assumption could be supported by emissions data by sector of activity, which seem to give services (excluding transport) a decisive advantage.

Although services represent 70% of employment in Europe, they account for only 4% of GHG emissions, and they have managed to reduce their emissions by 1% since 1990 (European Environment Agency, 2006 data).

But to understand the real impact of services on the environment, account needs to be taken of the fact that, to produce and consume services, a whole spectrum of material and energy consumption is essential. A comprehensive ecological analysis of the life cycle of any service shows that the 'materiality' has three main components. These are linked to:

- a company's internal operations: energy and fuel for buildings, transportation of goods, business-related travel and employee travel between home and work. These represent the major sources of GHG emissions in services (WRI, 2006); use of chemical products in cleaning.

- the products and services offered to customers: movements of users / customers (patients, commercial clients, ...), the material and energy consumption of the products, the health impact, packaging.

- the supply chain: resources to build, produce and dismantle offices or branches, electricity for lighting and air-conditioning, office supplies, paper, water.

The last two items can represent very high proportions. For example, Ikea has calculated that customer movements constitute nearly 86% of all its CO2 emissions in all fields.

We can therefore understand how the growth in service activities over the past 50 years has not led to a reduction of material consumption. Since 1959, the volume of industrial products consumed by households has increased by more than 4.5. The same is true for retail services. In fact, service activities are additional to industrial and agricultural activities, by no way substituting them.

1.3. Innovation in services, key to more sustainable patterns of production and consumption

To deal with environmental issues and climate change, technological innovations will not be enough. Economies have become increasingly efficient in their use of resources. But the limits are clear to see: efficiency gains are being offset by continuing economic growth.

Social and organisational innovations, leading to a deep transformation of our current ways of producing, consuming and working, need to be urgently deployed. Services have a specific role to play in such transformation, even if it is not necessarily today's service companies that will be accomplishing it.

In an ecological economy, it is likely that services will fulfil a function different to the one they have today, where they «facilitate» the production and sale of an ever-increasing volume of non-durable goods that quickly become waste.

In place of this linear production-consumption-disposal scheme, services should facilitate a loop-type scheme of manufacturing-recovery-reuse, with a focus on increased product durability, reparability and recyclability.

Another promising concept involves replacing the sale of a product with the sale of a service, as would be the case in a 'service economy'. In such a scheme, economic and social well-being would not come through an increase in material flows but in the flow of services. This would limit the use of resources and thereby the environmental impact (see box).

Finally, a sustainable economy will promote the development of 'local', transport- efficient services, richer in social ties, and bringing together, within the framework of territorial cooperation, producers, distributors and consumers. The rising cost of road transport could eventually force companies to rethink the concept of 'just in time' production, increasingly synonymous with environmental pollution and low-paid jobs, especially in road transport.

Box 1 **Shifting from ownership to service: the example of chemical product services**

This concept is similar to leasing. The manufacturer stops selling a product with no thought to what happens to it afterwards. He retains ownership, assuming responsibility for its maintenance and taking it back at the end of its life. He is paid according to the service rendered, not the volume sold. In principle, he has an interest in prolonging product life by providing better maintenance, leading to an economy of resources.

A report of the European Commission's Joint Research Centre (JRC) estimates that in the chemical industry, the shift to service delivery for chemical products could reduce the use of chemical products by 5 - 30% as well as cutting energy consumption and CO2 emissions.

One can quote here the well-known example of Xerox which introduced a system of renting its copiers, or Dow Chemical's Chemisafe service where cleaning products are rented.

Cf. European Commission, Joint Research Centre (2006), "Chemical product services in the European Union"

1.4. The continuing shift in employment towards services could be hampered by ecological sustainability

In the light of the above considerations on services' ecological balance, it is interesting to ask how employment in each major sector (primary, secondary, tertiary) will change if the entire society converts to sustainable development. From the few works available, it may be inferred that the growth of jobs in services will come to an end, marking a break with the trend of recent decades.

Two reasons can be put forward to explain why levels of secondary and agricultural employment in a sustainable economy will be maintained. On the one hand, industry, provided it upgrades to reduce its ecological footprint, is finding new opportunities in technologies reducing energy consumption and GHG emissions (see Barret et al, 2002). According to a German study, turnover in the environmental technology sector will be much higher than that of automotive and machine tools in 2020 (DIW, Fraunhofer ISI and Roland Berger Strategy Consultants, 2007).

The second explanation was expounded by J. Gadrey (2007) in an article titled «The ecological crisis demands a revolution in the service economy». His theory is that, in an environmentally sustainable society, many changes necessary for the production of goods and services (the transition to organic farming as one example) will be accompanied by a reduction in labour productivity. This is compounded by it being unlikely that the relative prices of industrial and agricultural goods compared to those of services will continue to decline, as industry will be increasingly forced to bear environmental pollution costs.

2. The impact on employment in UNI europa's sectors

2.1. Methodology

Though intellectually stimulating, the analysis on an industry level is hardly usable for examining the prospects for sustainable employment in services. Some services will maintain their quality as a source of employment in response to societal needs, while others will inevitably decline. The quality of jobs and skills are also to be considered.

In this section, the future of employment in the sectors covered by UNI europa is considered in a qualitative way, distinguishing between employment 'winners' and 'losers' and keeping in mind the two climate change dimensions, that of adjustment (to the effects of climate change itself) and that of prevention (measures to reduce emissions). It is worth noting here that the fact that a branch belongs to the 'winners' does not necessarily mean that there will not be any companies or workers in the branch ending up as 'losers'. This analysis is based to a large extent on reports from Lehmann Brothers (2007) and the Deutsche Bank (2007).

This method does not claim to provide an exact view of the future. The aim is more to provide the trade union players with food for thought and to suggest possible directions for the future. It is a prerequisite for any in-depth sector-by-sector analysis.

In the coming years, a growth in measures combating climate change is to be expected, in line with the Energy and Climate Plan adopted by the European Union in December 2008 which aims to reduce GHG emissions by 20% by 2020 (compared to 1990). A whole range of climate and environmental policy instruments will be implemented: regulations (standards, prohibitions, public procurement) and fiscal instruments (taxes, emission trading, subsidies).

Governments will seek to raise the price of fuel and carbon-intensive energy sources (for electricity production, for heating and also for transport) while on the other hand encouraging activities that contribute to climate protection.

In addition, increased demand from consumers for products and services with proven environmental qualities is anticipated as awareness for the problem of climate change grows.

2.2. ICT services

Physical impact of climate change

ICT companies are vulnerable to extreme weather conditions resulting from climate change. The damage to networks could be significant, resulting in higher insurance premiums. For example, the cost caused by storms in southern Sweden in 2006 was equivalent to 2% of TeliaSonera's landline turnover. The choice of the location of new networks will become a crucial element, as well as developing more resistant cables.

Controlling the environmental footprint of ICT companies

The ICT industry has not so far turned its attention towards the environmental impact of its operations, from the design, production and marketing of products, to their use and final disposal. This issue is crucial due to the growing overall pressure of ICT on the environment. Power consumption attributable to office IT equipment already accounts for between 10 and 25% of total energy consumption and is expected to grow by 16 to 20% per year (European Commission, 2009).

Telecommunication operators are amongst the largest energy consumers, through their data centres, networks and their vehicle fleets (Deutsche Telekom operates 41,000 vehicles in Germany). They will be particularly affected by the higher cost of energy connected with environmental measures and tensions on the oil market[1]. Climate change is expected to increase their energy needs still further, for example by increasing cooling requirements for servers. Increased demand for broadband services in the future will only strengthen this trend.

In a context of expensive energy, operators will try to maintain their profitability by generating renewable energy on their sites and using energy-efficient and low-emission vehicles, as is already done by some operators (France Telecom is developing electric vehicles, Vodafone is installing solar panels on its relay stations). But, as noted by Lehman Brothers (2007), these efforts will probably be insufficient to meet total energy demand, taking into account the magnitude of consumption. This could affect operators' profitability, and thus employment, should they fail to pass on the costs to their customers without losing market share.

The obligation to propose solutions for recycling PCs and mobile phones in accordance with the WEEE Directive[2] will mean new channels needing to be established in partnership with the recycling business.

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1. British Telecom alone consumes 2% of the total energy requirement of all British companies.
2. The European Directive on Waste Electrical and Electronic Equipment.

Finally, the potential health hazards generated by a massive overexposure to electromagnetic waves could slow down the spread of wireless ICT equipment (mobile phones, Wi-Fi) and expose operators to the risk of prosecution.

Telecoms are providing environmental solutions to other sectors

These constraints to the spread of ICT should be more than offset by opportunities for telecom operators to develop and commercialize products and services that will enable other sectors to reduce their environmental impact (Smart 2020). The European Commission proposes to support ICT penetration in two specific sectors, building and construction, and logistics (European Commission, 2009). Other studies focus more on the potential of teleworking and the dematerialization of administrative operations (Meddad and Miei, 2008).

Even if the magnitude of these changes is difficult to predict, it is likely that opportunities for new jobs in connection with new uses of ICT will exist throughout the economy. These new jobs will probably require new skills (in the construction industry, architecture, electricity, transport) and will therefore imply training initiatives on the part of professionals.

The organization of work could be substantially modified by the promotion of teleworking for environmental reasons. The uncertainty over its environmental impact (Meddad and IMIE, 2008) does however require all the environmental and social consequences to be measured in each individual situation, and for this to be done within a framework of social negotiation.

However, a lot more could be done in dematerializing the ICT sector, focusing on access rather than possession. One can imagine that, if operators were not paid on the sale of mobile phones but on service provision, users would change their phones less frequently, thereby limiting the number of phones to be recycled. This would enable the digital divide to be more easily reduced, enabling everyone to have access to a computer connected to the Internet rather than trying to provide everybody with a computer.

2.3. Postal services and logistics

Physical impact of climate change

Weather disturbances may affect traffic flows in the postal sector and logistics. However, this should be counterbalanced by the possibility of using new shorter routes opened up by the receding icecap, such as the Northwest and Northeast Passages.

Demand

In the short term, the demand for services provided by companies in the postal sector and logistics will be certainly affected by the tightening up of regulatory measures relating to transport. Sustainable transport policies will target in one way or another reductions in road and air transport in favour of the least polluting modes (rail, waterways) - as demonstrated by the decision to include aviation in the European Emissions Trading Scheme (EU ETS). The impact on the industry's already low margins could affect employment and encourage a race to the bottom. Other trends connected to environmental concerns could produce opposite effects on postal sector activity, such as the development of mail order or the promotion of e-mail.

In the longer term however, this could favour a "relocalisation" of the economy with slower yet more fluid mobility with less congestion on the roads) and, at the local level, without any overall reduction in mobility. Opportunities to enhance social conditions in the sector are related to this model. The French postal company La Poste believes for example that, by replacing traditional vehicles with electric vehicles, stress would be reduced and fewer accidents with less damage would happen.

Operations

All the major postal operators have started initiatives to reduce CO2 emissions generated by their own vehicle fleets (250,000 motorcycles, over 600,000 cars, vans and trucks and hundreds of aircraft, according to UPI) and energy consumption in their buildings. These range from the purchase of electric vehicles (la Poste) to route optimization for drivers and eco-driving training (UPS), along with switching to biofuels.

These initiatives are however limited with regard to the environmental issues in the industry and the employment risks if nothing is done to re-orientate these sectors towards more socially and environmentally responsible practices. Greenwashing (the unjustified appropriation of environmental virtue) is to be feared, especially when one sees that companies are foreseeing achieving their objectives mainly via "carbon offset" projects (such as the GoGreen programme initiated by the Deutsche Post / DHL), a mechanism based on carbon finance, the risks of which we point to in the section on financial services. Electric cars (which only allow carbon savings if the electricity is generated using renewable energy) and biofuels (the environmental and social balance of biofuels is debatable) go in this direction.

A more serious question is whether deregulation of postal services, and the competitive and short-term logic behind it, is compatible with the need to take into account long-term environmental imperatives, without even mentioning the social imperatives.

2.4. Retail

On the demand side

With regard to food trade, more frequent climate disturbances could increase the price of food. Taxing carbon emissions and waste could reinforce this trend. Despite the low elasticity of demand for these products, it could result in reduced sales volumes with a negative impact on employment, given the already low margins of distributors. For its part, the clothing trade may suffer greater volatility in demand due to unpredictable weather conditions.

Given higher petrol prices, consumers will have greater difficulty getting to out-of-town shopping centres. A shift to shops nearer residential areas could occur. Employment patterns would probably change, though it is not possible to predict how.

Finally, shops could focus on products and services with greater added-value, integrating new services to reduce the amount of packaging and CO2 emissions (purchasing policy of stores based on ecological and fair-trade criteria[3], more fresh products, a shift away from pre-packaged to cut-to-go products, user tips, concepts for renting/sharing). As an example, Lehman Brothers (2007) points out that fresh produce is harder to manage than groceries but offers higher margins if waste can be kept to a minimum.

All this does not necessarily imply job losses or new jobs, but rather a redefinition of a number of existing jobs with additional environmental skills. But training may come up against the lack of stable employment in a sector where students and part-time contracts abound (ECORYS, 2008).

Supply

Faced with rising energy costs and growing consumer concern in respect of freight transport (debate on 'food kilometres' / 'food-miles'), distributors will be encouraged to improve the efficiency of supply logistics, moving towards more environmentally-friendly means of transport and giving priority to local producers.

The use of ICT to optimise lorry transport will need to be given special attention by unions, given the risks of attacks on labour rights. On the other hand, benefits can be expected in terms of increased driving safety.

Lorry drivers could see their jobs at risk if retailers decide to use rail rather than road transport. In the United Kingdom, Tesco, Waitrose, Asda, Sainsbury have all announced their intention to opt for rail transport, as it is less carbon-intensive.

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3. The Eufropean market for organic foods is estimated to be worth EUR 11 billion (2% of the total European market for food). *Source: Household consumption and the Environment; European Environment Agency Report No. 11/2005*

The "relocalisation" of supply will affect the entire national food industry. As for retail chains, new skills may be required to assist small producers to sell their products in supermarkets. For example, Tesco recently announced that it was going to open six new purchasing centres for this purpose. It is possible that we will be seeing short distribution chains developing, with direct contact between producer and consumer (following the AMAP4 example).

Operations

Even if the cost of energy represents only a small share of total costs in the retail sector, retailers will seek to offset the rising cost of energy by investing in energy-saving technology for air-conditioning, refrigeration, lighting and in renewable energy to produce their electricity. This will enable them to preserve margins and maintain employment.

If energy prices were to rise above a certain threshold, it may become profitable to reduce opening hours (Sunday closing) or to seek new sales channels, such as the Internet or catalogues, to cut overheads. This would lead to a decline in demand for jobs in stores (handling, cashiers), though offset by an increase in jobs in sales and marketing.

2.5. Financial services

Demand

For companies offering financial services, the main risk involved in climate change is an increased probability of loan defaults resulting from greater economic instability. One strategic factor will be banks' ability to provide themselves with the means and skills to assess the 'climate risk' attached to their credit portfolio. The location of banks will affect the risk to the extent that the impact of climate change will affect certain regions more, such as floods in the Netherlands and desertification on the Iberian Peninsula.

These negative effects on employment could be offset by the opportunities offered by the financing of the investments necessary to prevent climate change (in particular energy efficiency and renewable energy), where the United Nations is estimating a requirement of $175 billion per year until 2020. Investment banks are expected to be the beneficiaries of this development, rather than commercial and deposit banks. It is worth noting that more than half of these investments are expected be directed towards emerging countries (McKinsey, 2009).

4. Associations pour le Maintien d'une Agriculture Paysanne – Associations for the Preservation of Small Farm Agriculture

However, this will involve a change in bank's' current investment and credit priorities. These are still largely oriented towards projects linked with carbon energy sources and encouraging the acquisition of non-durable and inexpensive products5. The German 'Environment and Employment" programme shows how the government may count on banks to subsidize, via preferential-rate loans, the installation of solar panels and house insulation (EEB, ETUC, Social Platform, 2004) .

Employment in the sector can also benefit from new carbon trading markets which are expanding throughout the world, modelled on the European carbon trading scheme. It is however essential that these markets be governed by strict rules preventing speculation. Friends of the Earth (2009) is warning against the risk of "subprime carbon", high-risk carbon credits whose value could collapse, though they have already been securitized and sold on secondary markets.

Additional employment will be created in project management, trading, credit scoring, carbon accounting, consulting and associated administrative services.

Operations and supply chain

Banks have a significant environmental footprint, through the heating and air-conditioning of their offices, business-related travel, employee travel between home and work and the production of waste. They have the potential to reduce them significantly.

It is worth noting that companies in the financial sector, more than employers in other sectors, are offering their employees company cars (for personal use) (Inter-Environment Brussels, 2005). One effective way to reduce the sector's carbon footprint would be to give employees the choice between a company car and a subscription/season ticket of equivalent value offering use of both public transport and taxis and enjoying the same tax benefits as their own cars.

5. An International Energy Agency report in 2005 estimated that $245 billion have been invested in the extraction, refining and production of electricity from carbon sources (gas, coal, oil) and $44 billion in large hydroelectric dams. By comparison, renewable energy have benefited from $35.5 billion while only $1.5 billion has gone into energy efficiency.

2.6. Insurance

Demand

The insurance industry is becoming increasingly vulnerable to climate change. Insurance companies are already feeling the economic impact of the extreme weather situations that are becoming increasingly frequent throughout the world. According to the Finance Initiative of the United Nations Environment Programme (UNEP), the overall economic losses resulting from natural disasters are doubling from year to year.

In the short term, insurers may benefit from increased demand for insurance due to the growing perception by the public of the risks linked with climate change.

In the long term, however, the severity and frequency of extreme weather phenomena are expected to increase. All types of insurance (damage, health, life) will be affected. The uncertainty attached to such phenomena will make it difficult for insurers to calculate the risk and how to spread it.

More importantly, gradual changes developing over time, such as desertification in southern Europe or the decrease in snow cover at winter sports resorts, could increase claims and permanently affect insurers' profitability.

Insurance premiums can be expected to rise, with a risk that in some regions vulnerable to climate risks, the costs could become prohibitive for certain risks, leading to insurers refusing to cover certain risks in high-risk areas. Insurers with a strong regional focus, less geographically diversified and less capitalized, will be the hardest hit. This all obviously involves risks for employment in the insurance industry.

There are however a number of ways, already explored by insurance companies, to minimize these risks, and therefore help preserve jobs. Munich Re, for example, has established a research department of 25 people covering the relevant disciplines, such as meteorology and geophysics, to better understand the effects of climate change and provide advice internally and to clients. Innovative solutions to ensure better spreading of the risks of climate change could be developed. Some insurance companies already offer discounted rates to drivers of hybrid and low CO2 emission vehicles, such as Sumpo in Japan (WRI, 2006). The provision of advice and services to customers to reduce their vulnerability to climate risk may also provide new opportunities.

In its White Paper "Adapting to climate change: Towards a European framework for action" published in April 2009, the European Commission highlights the decisive role of the insurance sector in adapting to climate change. It announces its intention to work in partnership with the insurance industry and Member States to study to what extent it would be appropriate to make standard weather-related insurance compulsory for certain players / strategic sectors and to use publicly-supported insurance funds, within the framework of an EU-wide insurance scheme.

3. Recommendations for a trade union action programme

The preceding analysis shows that taking account of environmental issues is a powerful vehicle for transforming jobs in the service sectors. None of the areas studied will be unaffected by climate change, whether it be the physical effects of global warming itself or regulations to reduce GHG emissions.

In each of UNI europa's sectors, risks and opportunities for employment will result from the implementation of environmental policies. Their nature and balance differ widely across sectors. The majority of sectors will be winners but at the cost of innovation and investment in developing new skills. Some sectors will face significant risks.

These findings should encourage UNI europa and its affiliates to include climate change and environmental policy in their agenda, linking them with their more traditional social demands. An action program could be developed around two main areas: activities aimed at influencing European environmental and economic policies in the context of sustainable development on the one hand, and the negotiation of collective agreements including environmental considerations on the other hand.

3.1. Influencing the ambitious environmental policies while integrating the social dimension

For the majority of sectors studied, the opportunities presented by climate protection measures outweigh the risks. However, some sectors like insurance will be particularly vulnerable to the effects of global warming itself if nothing is done to prevent it. This is a clear incentive for UNI europa and its affiliates to devote all their energy to encouraging ambitious environmental policies and a social and ecological response to the current economic and financial crisis.

Lobbying for an ambitious European climate policy

Provided they are clear, certain and predictable, climate protection policies can lead to investment and jobs going in the right direction in the service sector. By focusing on the benefits for employment and workers' welfare, UNI Europe could encourage the European Union and its Member States to show greater determination in tackling service sector emissions within the European energy-climate package adopted in December 2008.

Emission reduction targets for each sub-sector with binding measures could be supported. Their absence in today's climate-energy package leaves the way open for companies to take voluntary measures, whose effectiveness is uncertain. The British Government initiative to introduce emission quotas for major operators in the service sector, particularly in the retail trade, should be looked into closely.

From this point of view, better use could be made of the impact studies on sustainable development that the European Commission is required to carry out in connection with any policy initiative. These studies provide an assessment of the potential impact of the proposed environmental measures on employment and, if necessary, propose appropriate accompanying social measures (Dupressoir, 2005).

Another strategic issue for UNI europa concerns the adaptation to the inevitable consequences of climate change. We have seen that the insurance sector is particularly vulnerable, with possible repercussions on the whole of society and on the deprived in particular. UNI Europe could put pressure on the European Commission and Member States to accelerate the establishment of a genuine European adaptation strategy based on solidarity.

Promoting "green" recovery plans

The crisis offers the opportunity of committing funds to socially and environmentally useful purposes - something that is not possible in a period of growth. For example, building social housing during a property boom exacerbates demand, leading to further price increases. In times of recession, however, one has the opportunity of both meeting a social need at lower cost and boosting the particularly depressed construction sector and all associated services.

UNI europa could demand that recovery plans focus on three types of public spending:

- Support for the energy-related renovation of social housing, for public transport and for renewable energy sources, thereby reducing the burden of energy bills and transportation for the working poor, many of whom work in the service sector, and creating sustainable and non-relocatable/non-outsourcable jobs.

- Support for the retraining of employees working in non-sustainable fields: ETUC is demanding that part of the revenue from the sale of emission allowances be paid into a European fund to support the retraining of workers in the sectors most affected by climate policies (within or parallel to the Globalisation Adjustment Fund).

In addition, conditions should be attached to the rescue plans for the European financial system, requiring banks and insurers to dedicate a minimum share of their products and services to financing renewable energy sources, insulation for buildings or measures against the negative effects of climate change.

An international comparison raises fears that the European recovery plans are not making sufficient use of such opportunities: according to an HSBC study (2009), the European plans earmark only 5 - 15% of such spending for "green" elements, against South Korea's 85%.

Enhancing the contribution of the services sector to combating climate change

We have seen above that services have the potential to provide other sectors with instruments to take action in the environmental field. However, this potential will not be realised automatically. Active policies, professionals, government authorities and unions will be required to implement them.

In the insurance sector, we must encourage insurers to develop better spread cover. Governments should make certain weather-related assurance policies compulsory. We must regulate construction in areas most vulnerable to the effects of climate change, and foresee guarantee funds.

In the retail sector, the display of the environmental cost could be made compulsory.

3.2. Negotiating sustainable development

The idea of introducing sustainable development into the field of social negotiations is being picked up by numerous organisations today. Concrete experience remains scarce. Similarly, little research has yet been conducted. From the little that does exist, there would however seem to be two possible avenues. The first applies the French GPEC[6] instrument to the transition to a low-carbon economy. The second sets down a sector's or company's commitment to protecting the environment - in a way favouring both employment and health.

The recommendations are largely based on the practical experience of several trade union organizations and the perusal of guides which they have published for union negotiators: Unite, *How green is my workplace*? (United Kingdom), CSC, *Negotiating Sustainable Development* (Belgium), TUC, *Green workplaces* (United Kingdom), CC.OO and ISTAS, *La Mesa de Diálogo Social en los sectores difuso* (Spain), Prospect, *Greening the workplace, Negotiator's Guide* (United Kingdom).

6. GPEC Gestion prévisionnelle des emplois et des compétences – Forward planning of jobs and skills.

Anticipating and managing climate change-related changes in employment in services

Like globalisation and technological revolutions, the transition to an economy less dependent on carbon will, as a process of structural change, not be all plain sailing, especially for workers. The question is, therefore, how to make sure that the necessary job-related transitions take place in a managed fashion without workers merely being subjected to them, that workers who might lose their jobs are supported and that the measures create a net gain in employment with no decline in quality?

The study 'Climate Change and Employment' prepared for the ETUC in 2007 proposed making use of the GPEC approach and instruments for this purpose.

Applied to climate change and the service sectors, the GPEC would seek to proactively reduce the gaps between needs and supply in terms of staffing and skills, based on clearly identified goals (the implementation of the environmental objectives) by involving employees in a professional development project. The addition of a territorial dimension would be useful to understand the effects of climate change.

Specifically, it would involve, through social negotiation, defining, funding and implementing the following measures:

- Tools to assess predictable quantitative and qualitative developments in employment and skills to anticipate the potential elimination of jobs (construction of social indicators and dashboards on a company and industry level);

- Identification of groups in need of suitable and specific measures;

- Definition and implementation of accompanying measures for social change:

- Matching the provision of training with the development of those skills required in the labour market: training programmes, recruitment, adjustment of conditions and hours of work, personal coaching of workers in career planning: skills assessment, validation of experience, professional and geographic mobility, financial and social measures to accompany job cuts.

The negotiation of environmental agreements

Introducing environmental considerations into collective bargaining helps to stimulate clear improvements for both workers and the environment. Collective agreements have a binding quality, a dimension of mutual commitment, with deadlines and tangible results.

Why negotiate?

The interest of workers and unions in negotiating is manifold. Environment-related negotiations help to achieve progress on the social level. For example, the introduction of environmental criteria in purchasing strategies can trigger the concomitant introduction of social criteria and working standards. Opening the debate on workplace heating can lead to improvements in working conditions in offices.

Negotiations on environmental issues can also advance the mobilisation and organisation of workers, and can reinvigorate the union structures in places of work. Experience shows that this can be an effective means to bring trade unionism to young people, traditionally more sensitive to environmental issues (TUC, Unite).

Reducing energy consumption in companies contributes to improving company finances. Benefits may be redistributed in part to workers, or used to preserve jobs.

Having said this, we should not underestimate the resistance which may come from employees afraid that these new subjects could dilute topics directly related to workers' interests, such as wages, working conditions, job security, and more so when jobs are threatened and workers' rights attacked as is the case at present.

What is to be negotiated?

The nature of environmental clauses to be included in collective agreements depends on the sectors and the company concerned. The following avenues of negotiation seem to us to be appropriate with regard to the potentially negotiable agreements in the UNI europa sectors:

- A common employer-union sector-based platform calling on the government to adopt a proactive environmental policy aimed at reducing the sector's environmental footprint, with improvements for the workers and backed by appropriate monitoring measures (see point 3.1)

- Industry or company commitments to invest in clean technologies and energy efficiency as well as training workers in the use of such new techniques. The crisis can be used to train workers in environment-related skills tailored to the requirements of their sector. Surveys of workers also show a strong demand for training in sustainable development issues and ways to reduce the environmental impact of their workplace.

- Granting union delegates information, consultation and negotiation rights on a company's energy and environment policy. This can be done via the extension of the powers of health and safety committees. Such rights already exist in certain countries and regions in Europe (Germany, Flanders).

– Company or sector commitments to engage in a process of environmental improvement, in conjunction with workers. This can be achieved by a) a commitment to involve employees in environmental issues; b) the identification of environmental problems by auditing the whole value chain (customers, suppliers, subcontractors); and c) setting targets for tackling these problems.

  The areas which could be targeted for such improvements are:

  - Buildings: reducing energy consumption, installing renewable energy sources, recycling paper, batteries, computers and other office supplies.

  - Transport: Making the company vehicle fleet green, training drivers in eco-driving, giving priority to public transport in business travel and travel between home and work, developing teleworking and flexible working hours; substituting company cars by multi-modal season tickets;

  - Sustainable procurement: submitting subcontractors to the same social and environmental commitments as the procuring company: information for subcontractor staff, security, subcontractor compliance with legislation, a product policy favouring the best substitutes and the best technologies available.

  - Working hours: reducing working schedules to save energy, especially in the retail trade and cleaning services.

  - Product policy: expanding the portfolio of banking services to financing renewable energy and energy efficiency.

– As part of Corporate Social Responsibility, one avenue of negotiation with a multinational group could focus on the compilation of a sustainable development report (or social responsibility report) according to the most demanding benchmarks of the Global Reporting Initiative (GRI). The idea is to call for a broader responsibility of multinational companies vis-à-vis subcontractors and suppliers in the environmental field as well as in the field of human rights. Faced with the spread, especially in the ICT and the retail industries, of voluntary and unilateral company "codes of conduct", workers and their unions become the crucial players in monitoring the consistency of these commitments[7].

7. It is worth noting that these codes of conduct are sometimes the subject of a partnership with environmental organisations.

Unions should look closely at a company's environmental performance indicators to verify their credibility. Unions could for example check that the company does not "cheat" on improving its environmental performance by outsourcing pollution sources to countries with less stringent social and environmental standards.

Another possibility would be to verify that "carbon neutral" commitments (such as Dell's "Plant a tree for me") do actually lead to emission reductions. The priority must be to reduce emissions stemming from the company itself.

– Also in an international context, international framework agreements signed between union federations and multinational companies have the advantage of providing a formal framework between the partners. They make explicit reference to ILO Conventions (not just vague commitments), strongly respecting and promoting the right to organise. They neither replace nor oppose national collective agreements.

  Certain framework agreements already include environmental clauses. The idea would be to systematically include environmental targets when framework agreements are negotiated or renegotiated. Syndex is currently preparing a study at the request of the ETUC to explore this avenue.

Box 2 **Sweden: The Swedish QIII programme, "Quality of road transport contracts"**

The Swedish trade union LO and the Swedish National Institute for Highway Safety have jointly launched the Quality III programme, currently used by more than 100 manufacturing and retail companies in Sweden and involving an assessment of the supply chain according to the three criteria of the working environment, safety and the environment. This assessment determines which company may or may not be awarded their freight contracts.

See http://www.q3.se/

Box 3 **The TUC "Greenworkplace" project (United Kingdom) supports union initiatives to reduce energy consumption**

The "Greenworkplace" project has supported union initiatives to reduce energy consumption in six pilot projects conducted in companies throughout the United Kingdom. Funded by the Carbon Trust (a publicly-funded energy agency), projects focused on energy savings.

The following organizations were involved in these projects: Corus steelworks, Friends Provident - an insurance company, DEFRA (the Department of the Environment), the TUC headquarters and its regional offices, Scottish Power, the British Museum.

The benefits were considerable: increased awareness within the movement, increased demand for union training, new negotiating structures, identified reductions in CO2 emissions and energy consumption.

The next step for the organisations will be to conclude environmental agreements.

Where to negotiate?

In cases where sector-based European social dialogue committees do not exist, the sector-based forums established by the European Commission, or internationally by UNEP, to engage sectors in sustainable development can be valid alternatives: the European Round Table for the retail trade, the ICT Forum announced by the "Green IT" communication, the UNEP Finance Initiative.

Finally, the importance of climate and environmental issues may justify the establishment of ad-hoc dialogue structures bringing together employers, unions and government. One of the best examples of this is provided by the tripartite social dialogue round tables on the Kyoto Protocol in Spain that have been established following a call from the trade unions.

Box 4 **The social dialogue round tables on the Kyoto Protocol in Spain**

The Spanish National Pact has created forums for inter-sectoral dialogue, involving unions, employers and the state, on the adaptation to climate change and on actions to reduce greenhouse gases, with a view to reaching framework agreements. Sector-based social dialogue round tables were introduced in 2005 for this purpose, seven for specific industries and one for miscellaneous sectors, including construction and transport. They are supported financially and logistically by the state and regional authorities.

In this context, regional conferences are also organized with the aim of cross-fertilising sectoral and territorial issues and taking the development of regional climate plans into account.

Conclusion

The analysis in this report has confirmed the relevance and urgency of a debate and action by service unions in Europe on sustainable development. Services are at the heart of the current economic crisis, but may also be at the heart of the climate crisis if nothing is done to prevent the most disastrous effects. Although uncertainties are attached to the scale and impact of climate change, the report shows that companies will require organisational and social innovations to face up to the risks and to seize the opportunities created by this "Major Transformation" already underway. In services, more so than in other sectors, workers will have an essential role to play in these innovations. Social dialogue provides a vast field for specifying the commitments of companies and workers for a more sustainable model.

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