

INVESTING IN CLIMATE-NEUTRALITY AND SOCIAL INCLUSION

Skills, employment, and job creation within a transition towards climate-neutrality



Published in November 2020

INTERVIEW

Joost Korte
European Commission,
Director-General
Employment Social Affairs
and Inclusion (DG EMPL)



“With the European Green Deal, Europe has marked its ambition to become the first climate-neutral continent by 2050. The transition will offer opportunities to create new businesses, new jobs and to trigger more investment. It will also come with challenges such as labour reallocation, especially in countries and regions with high CO2 emission sectors [...]. I firmly believe that for the transition towards the green economy to succeed, it must be just and fair.”

evpa
INVESTING FOR IMPACT

INTERVIEW

Joost Korte
European Commission,
Director-General
Employment Social Affairs
and Inclusion (DG EMPL)

1. Which are the most important measures proposed by the European Commission addressing the challenges faced by vulnerable groups?

On 1 July 2020, the European Commission adopted the “European Skills Agenda”, a strategy to ensure that all Europeans have a chance to reap the benefits of the green transition.

The “**Skills Agenda**”¹ sets the framework for EU action to help people acquire the skills needed for the green transition, including the upskilling and reskilling of workers. This strategy foresees 12 actions organised around four building blocks: a Pact for skills, which aims at **joining forces between public authorities, social partners and companies**; actions to ensure that people have the **right skills for jobs** and actions targeted at **strengthening vocational education and training systems**; tools and initiatives to support people in their **lifelong learning** pathways; and a framework to **unlock investments in skills**. Some of these actions have a very clear focus on the green transition. For instance, we will develop a **European competence framework on education for climate change, environmental issues, clean energy transition and sustainable development**.



In order to deliver on these actions, **massive investment is needed**. Subject to a final agreement between the Council and the European Parliament, Next Generation EU, the Just transition Fund and the European Social Fund+ will provide the Member States with the necessary financial means to deliver on the “Skills Agenda” and to place people at the heart of the recovery plans.

Figure 1. Building blocks for the European Skills Agenda



This strategy foresees 12 actions organised around four building blocks.

The EU and the Member States will also have to address distributive elements in carbon pricing and energy taxation, to secure the access of the most vulnerable to energy at a fair price and address energy poverty concerns.

This is **the rationale of the European Pillar of Social Rights, which identifies energy as an essential service which everyone has the right to access.**

I firmly believe that for the transition towards the green economy to succeed, it must be just and fair.

¹ <https://ec.europa.eu/social/main.jsp?catId=1223>



INTERVIEW

Joost Korte
European Commission,
Director-General
Employment Social Affairs
and Inclusion (DG EMPL)

2. Which are the current EaSI financial instruments proposed by the EC supporting the job creation and social inclusion and how do they complement to the private financial initiatives?

To help **catalyse systemic developments in social finance in Europe**, the European Commission has deployed a toolbox of instruments which complement one another, **including grants, financial instruments, and advisory support**. These were implemented mostly under the Employment and Social Innovation programme, with additional resources from the European Fund for Strategic Investments (the Juncker Fund). The end beneficiaries of these instruments are micro-enterprises and social enterprises, which are excellent vehicles for labour market integration and social inclusion.

Grants helped to kick-start a range of innovative projects on the demand and supply sides of social finance markets, building partnerships and gathering commitment from private and public funders.

In addition, financial instruments in the form of debt, equity and guarantees, were made available in order to enable access to finance for social enterprises and microenterprises. By taking part of the risk, these instruments proved to be a formidable way of leveraging private capital and helping social enterprises access private financing on more favourable terms. For instance, in the case of the EaSI Guarantee, every euro of EU support generates 11 euro of financing for micro enterprises and social enterprises.



Finally, because money is not enough in itself, in order to complete the toolbox, the Commission has also put in place advisory services - known as "EaSI technical assistance" - to support intermediaries by providing tailored trainings, workshops, or study visits. These, together with the work done by EU-level networks such as EVPA and Euclid Network, have contributed towards increasing the capacity of social finance intermediaries.



InvestEU will bring all EU financial instruments under one roof.

For 2021-2027, the Commission proposed a new flagship investment programme, **InvestEU**. It will **bring all EU financial instruments under one roof**, and mobilise additional public and private capital using an EU budgetary guarantee.

In this new framework, the Commission will look to build on the EaSI instruments to continue unlocking additional private capital, as well as to consolidate and further develop the social finance market.



INTERVIEW

Joost Korte

European Commission,
Director-General
Employment Social Affairs
and Inclusion (DG EMPL)

3. From your perspective, what is the role of social enterprises to a fair and just transition towards a carbon-neutral economy and how does the European Commission support them?

Social enterprises are an excellent example of an “economy that works for people”. Their contribution to a fair and just transition is already clear, but we believe their potential is greater. Through their activities or the products and services they deliver, they address key societal challenges in a wide range of sectors, often through social innovation. For example, they provide essential social and care services, especially for the most vulnerable in society. They are key employers of disadvantaged groups, playing a crucial role in labour market integration and providing skills. They are also active in relation to the distribution of energy and recycling. In addition, they provide platforms through which citizens can channel their own contributions, thereby building real opportunities and civic participation. Many social enterprises are innovative and find opportunities in cases where neither mainstream businesses nor public authorities can deliver.

Since the European Commission adopted its Social Business Initiative in 2011, we have worked to improve several aspects of the ecosystem for social enterprises. Let me mention some of our important initiatives.

Many social enterprises are innovative and find opportunities in cases where neither mainstream businesses nor public authorities can deliver.”

On access to funding, the EU Programme for Employment and Social Innovation (EaSI) has increased the supply of finance for social enterprises as well as microfinance for vulnerable groups and micro-enterprises. **Social enterprises also became an investment priority within the European Structural and Investment Funds**, in particular in the European Regional Development Fund and European Social Fund.

Another very important work stream for the Commission is to facilitate social enterprises' access to markets. We want to encourage both public authorities and traditional enterprises to procure goods and services from social enterprises. For example, we are currently exploring how groups of enterprises, public authorities and other related stakeholders, called clusters, can help support the cooperation between social economy and traditional enterprises.



Last, but not least, the Commission is also working to improve the framework conditions for social enterprises. For example, we have developed in cooperation with the OECD a “**Better Entrepreneurship**” online tool to help policy-makers and other stakeholders at local, regional and national level improve public policies to foster social and inclusive entrepreneurship. The Commission has also recently launched a call for proposals for national competence centres for social innovation. They will connect and empower social innovation stakeholders in the Member States, including social enterprises and their support organisations.



INTERVIEW

Joost Korte

European Commission,
Director-General
Employment Social Affairs
and Inclusion (DG EMPL)

4. Since 2017, the Commission has taken a range of concrete initiatives to put into practice the European Pillar of Social Rights². What will be the role of the Action Plan for Social Economy in 2021 in supporting the implementation of the Pillar?

The proposed **Action Plan for Social Economy** shall give impetus to creating enabling conditions for the social economy across Europe, which has untapped potential to **create jobs, provide accessible services, foster up-skilling, address environmental challenges and strengthen communities**. The initiative will fully contribute to the implementation of the European Pillar of Social Rights. Social economy ensures fair access to labour markets as it creates jobs often resilient in economic downturns. Many social enterprises are active in the fields of education, training and lifelong learning helping people to participate fully in society and labour market. Social economy creates

The initiative will fully contribute to the implementation of the European Pillar of Social Rights.

fair working conditions, in keeping with its participatory nature. It also fosters social protection and inclusion, as it offers new ways of organising welfare services and have citizens participate in society and economy. Social economy places people and communities at the centre of its business models. Regarding the European Pillar of Social Rights, we welcome EVPA members' feedback in preparing the forthcoming Action Plan for the implementation of the Pillar. **The consultation "Have Your Say in Reinforcing Social Europe"**³ is open until **30 November** and we are looking forward to getting your contributions, also on how the implementation of the Pillar principles can contribute to recovering from our current unprecedented crisis.

² https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en
³ <https://ec.europa.eu/social/main.jsp?catId=1487>



evpa
INVESTING FOR IMPACT

Rue Royale 94
1000 Brussels, Belgium
policy@evpa.eu.com

This publication has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020)

