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## Promoting the corporate social responsibility for a green economy and innovative jobs

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### Abstract

Among the EU directions proposed for the new economy, education has an important role. In order to sustain this new model of economy there should be developed the right type of abilities and competences for the future entrepreneurs, managers and employees. In the Green Book of EU, the corporate social responsibility is a major tool for creating new jobs and sustaining the economic development. Promoting a more resource efficient, greener and more competitive economy is one of the overarching priorities of Europe 2020 strategy.

This paper will try to analyse the role of social capital and promoting active aging in order to assure the corporate social responsibility at national and international level, an efficient tool in combating the actual state of economy and in shifting to the new economy, by capitalizing the knowledge, competences and abilities of the seniors. This could be a great opportunity for creating new innovative jobs and reinforce the cooperation for the promotion of Green Economy.

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### 1. Context: European trends

The European Union is an economic community in the first instance, as is stated in Article of the Treaty of the E.E.C. The basic idea then was that the achievement of a common market would "promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the States belonging to it".

Obviously environment and sustainable development are part of the objectives. This in itself is clearly to be seen as progress. However, the definitions remain vague and are subject to a wide range of interpretations. It seems that economic growth has still priority. Much depends on how one should understand the words "a balanced and sustainable economic and social progress". Effective implementation depends for a large part on the political willingness to give real content to sustainable development and not to subordinate it to the goals of economic growth. The development model of the Union (this is true more or less for the Member States as well) remains still anchored on a traditional understanding of growth.

Since the mid 90's we are facing a deep redefinition of both theory and practice of Local Development as a consequence of the reformulation of relationships among society, nature, economy and enterprises. For several years

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now there has been a progressive introduction of the concept of sustainability in the policies concerning the new European model of development.

In June 2006 the European Council adopted the EU Sustainable Development Strategy. This is an overarching strategy for all EU policies which sets out how we can meet the needs of present generations without compromising the ability of future generations to meet their needs. The Sustainable Development Strategy deals in an integrated way with economic, environmental and social issues and lists the following seven key challenges: climate change and clean energy, sustainable transport, sustainable consumption and production, conservation and management of natural resources, public health, social inclusion, demography and migration, global poverty.

## **2. New sustainable development model**

It is impossible to know precisely what the consequences of unchecked or badly managed development will be, but we have enough information to understand that they are potentially negative, costly and irreversible. Sustainable development gives us a new way of thinking through and managing human impact on the world – one that can generate long-lasting positive results for the greater benefit of human societies.

In the academic literature, sustainable development is characterised as development in which total “welfare” is not decreasing over time. Just as economic development is sustainable provided economic (or man-made) capital is non-decreasing, sustainable development requires total capital – that is, economic capital, human and social capital and environmental capital – to be non-decreasing. “Capital” in this context refers both to the stock and to the quality of the resources – for example, the skills, health and knowledge of the population, and the quality of air and other natural resources.

The goal of sustainable development is not only to conserve the natural environment for successive generations. We have to learn that this will not be possible without the alleviation of mass poverty and impoverishment, without aspiring to social justice for the entire world's people, and without creating greater government and business accountability. It will not be enough that countries successfully make the tremendously difficult transition to “energy efficient” economies. Sustainable development also needs social systems that are based on justice and equity, and that are built upon democratically controlled political structures, which give people a voice and a stake in their own future.

Green economy is an economic development based on the sustainable development model and knowledge of ecological economics. Its most distinguishing feature from prior economic regimes is direct valuation of natural capital and nature's services as having economics value and a full cost accounting regime in which costs externalized onto society via ecosystems are reliably traced back to, and accounted for as liabilities of, the entity that does the harm or neglects an asset.

## **3. Corporate social responsibility**

Within the new model of development and the green economy, the enterprises and the multinational companies play an important role.

**Corporate social responsibility (CSR)**, also called corporate conscience, citizenship, social performance, or sustainable responsible business, is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore, CSR-focused businesses would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. CSR is the deliberate inclusion of public interest into corporate decision-making.

The term “corporate social responsibility” came in to common use in the early 1970s, after many multinational corporations formed. Proponents argue that corporations make more long term profits by operating with a perspective, while critics argue that CSR distracts from the economic role of businesses. Others argue CSR is merely window-dressing, or an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations.

According to the European Commission, Corporate Social Responsibility can make a significant contribution towards sustainability and competitiveness, both in Europe and globally. It is part of the Europe 2020 strategy for smart, sustainable and inclusive growth.

It can be a useful instrument in shaping the kind of competitiveness model that Europe wants. CSR is more relevant than ever in the context economic crisis. It can help to build (and rebuild) trust in business, which is vital for the health of Europe's social market economy. It can also point the way to new forms of value of creation based on addressing societal challenges, which may represent a way out of the crisis.

#### **4. The new needs on the labor market**

The expansion of the green economy in Europe is being accelerated by concerns relating to energy generation, resource use and environment management. Energy policies, addressing the need to tackle climate change by reducing greenhouse gas emissions and, at the same time, achieve greater energy security along with a diversity of generation that has the flexibility to meet variable demand, are driving the development of renewable energy technologies. The impetus towards creating a European green economy comes from the widespread consensus among the scientific community of the dangers posed by greenhouse gases and the depletion of fossil fuels. These concerns are reflected in several international agreements, notably the Kyoto accord and, prompted the EU, by agreement with the Member States, to impose targets on carbon emissions.

Climate change and environmental degradation are jeopardizing livelihoods and future sustainability in many areas of economic activity around the world. Alongside other drivers of change such as globalization and rapid technological change, they are causing important shifts in labor markets and skills needs. Public policies and enterprise strategies in many areas follow calls for innovative, clean and greener economies. Availability of skills for green jobs plays a crucial role in triggering change and facilitating just and timely transitions.

The shift towards greening the economy will require the second greatest economic transformation after the industrial revolution. We have not paid enough attention to the social dimension of sustainable development: its implications for employment, training and decent work. There are several links between education, training, employment and environment policies. Green sectors will require new jobs, but they will also need to redefine many existing job profiles. The demand for new related skills will also rise in most occupations. To meet this challenge, education and training systems will need to supply a well-trained, highly skilled labour force. Training and guidance services that steer people towards jobs in growing sectors should focus on skills related to energy efficiency and renewable energy implementation. Putting in place the right training programmes for employees in declining sectors will help European economies redeploy workers who are difficult to place. A well-trained and environmentally aware workforce will also be more innovative in improving resource efficiency. To achieve this we need comprehensive lifelong learning strategies and training systems that integrate sustainable development and ensure that the right skills are supplied.

Green technologies offer the possibility of new green jobs for those who respond quickly to the developing green economy. New green jobs will require new skills in new and emerging occupations. Identifying those skills may make action to combat climate change more effective.

The sustainable development agenda is complex and calls for many types of actions including agreements at many different levels, from global downwards, which set rules and targets to inform the actions of individuals and a wide array of formal and informal organizations and networks. The outcomes of agreements and these actions can have considerable implications for the skills agenda which needs to evolve in response to these changes. As important, we need to ensure that society has the ability to address and agree how to proceed in the face of considerable differences in interests, values, development levels and perspectives between nations and between different stakeholders at all levels of society. The context in assessing whether any particular course of action is appropriate is also important. Many business corporations accept a notion of corporate social responsibility, but few would deny the pre-eminence of shareholder value as the driving force of their activities. As a result, sustainable development in its broadest sense often sits uncomfortably with private enterprise.

The skills associated with the emerging green economy can be categorized into generic skills and specific skills. The latter group is particularly relevant for the green economy, which creates a new skills paradigm that, in general, is more holistic in approach than the traditional one. The new paradigm places greater emphasis on design and working in multidisciplinary teams with a high degree of autonomy and responsibility. Projects often entail bringing together professionals from widely diverse backgrounds such as engineers, planners and architects with ecologists and archaeologists. This means that generic skills such as strategic leadership and adaptability will be important in

the green economy. Good knowledge of the sciences, including engineering, environmental and biological, is a general feature of many of the skill sets required by the emerging green economy.

### 5. Education and training in the New Economy

All occupations will need ‘greening’ with a spectrum from those new jobs focused solely on the delivery of green goods or services to those that will require more limited changes to improve energy efficiency and reduce resource use. There will be demand not only for technological expertise but also communication skills to provide advice on new technologies to both businesses and consumers.

It is important that a revised curriculum, particularly in terms of science and technology, provides the necessary knowledge of mitigation technologies. However, this will only be applicable to students. Both professionals and blue-collar workers will need retraining with relevant green skills. All lifelong learning programmes should provide appropriate skills updates to ease the transition to low-carbon business.

Education and training systems will be better able rapidly to develop green skills requirements if there is improved social dialogue between those developing education systems and training standards and both employers and trade unions. The education system should promote multidisciplinary learning environments and, together with the social partners, should be encouraged to take a broader view of how competences are defined and acquired. In particular, national qualifications frameworks should aid both vertical and horizontal career progression; the need for more holistic skills entails a requirement for a flexible qualifications system that supports and encourages the continuous acquisition of additional competences.

There is a requirement for better coordination between those developing environmental policy and managing the transition to a low-carbon economy and those developing skills training. Continuous professional development, through greening or mitigation technology modules, is essential for most of the future workforce.

Societal aspects of the green economy are evident, though inadequately researched. Tackling climate change requires a new way of working that will affect the whole of society. Therefore, skills and education needs should be examined across not just all business and jobs sectors but wider society too. Behavioural and technological changes to deliver mitigation across society will happen because they are either economically beneficial, driven by legislative or fiscal measures, a response to training and education, or a combination of these. Skills training and education have perhaps received less attention to date than the other factors in their importance to achieving a rapid transition to a low-carbon society. The type of policies which would promote a green economy includes measures designed to improve public awareness of the benefits of green policies. Such a campaign should be organised nationally and at EU level.

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