



#GreenFin

Conducting research: methods and selected results

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Rationale for addressing the research topic (1)

E N V I R O N M E N T

deteriorating
state of the
environment

global
warming

depleting
natural
resources

declining
biodiversity

P E S T E consequences

Rationale for addressing the research topic (2)



GreenFin efforts:

- The dissemination of a culture of social and environmental sustainability among trade unionists at all levels and in particular to representatives of high professionals, belonging both to the financial sector and to those most involved in the green revolution.
- The transnational collective bargaining tools which, through the joint action of the EWCs and the European, national, and corporate trade unions, will foster the development in the European financial sector of professional positions, homogeneous throughout the EU, capable of providing answers to the new financing needs necessary to support the transition process to the green economy of the EU.

GreenFin objectives:

1. Disseminating knowledge about European regulations on the green economy and their impact on the world of work and on EU companies.
2. Defining new professional profiles and skills needed to strengthen the role of the financial sector in the European green revolution.
3. Boosting the transnational social dialogue in the financial sector and at improving the negotiating skills of workers' representatives and EWC members through the development of the awareness, skills and tools needed to strengthen the synergies between the different levels of collective bargaining, which can find their synthesis in the EWCs.

Two paths approach: social partners and scientific institutions

Desk research on the European strategy to the green Economy transition and sociological implications

Good practices collection on national levels

Desk research on the European regulatory framework to identify the role of finance sector in the green economy

Good practices collection on company levels

Round table discussions (Paris, Seville, Ljubljana)

GreenFin research scheme

Questionnaires, CATI & CAWI
(N = 113)

trade unionists and workers in selected sectors (banking, SMEs, brown sector)

Semi-structured interviews
(N = 15)

EURO CADRES

UniCredit

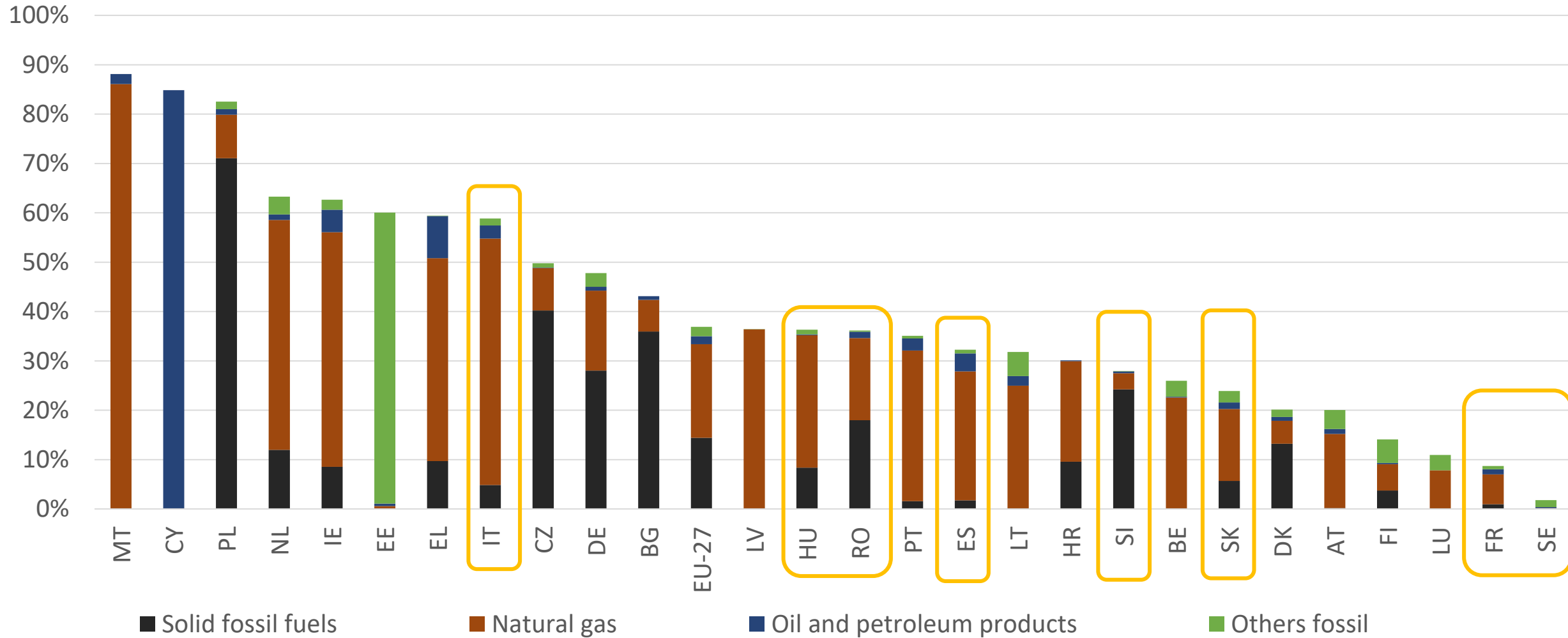
EWC members

national-level trade unions:
France, Hungary, Italy, Montenegro, Romania, Slovakia, Slovenia, Spain, Sweden

April –
December
2023

Survey's national context

Fossil fuels in energy mix by country in 2021



Interviews – respondents' profile

1. employed in the financial sector, especially in positions related to working with clients facing the challenge of implementing green finance in their businesses;
2. having knowledge of the green economy, green and just transition and the Green Deal;
3. having knowledge of issues related to green finance;
4. having an orientation to the process of developing the competencies of financial sector employees, green financial skills, green jobs;
5. employed in small and medium-sized enterprises, including those representing the brown sector, most likely to be most affected by changes related to green finance;
6. having an orientation to the activities of trade union organizations in the area of green transition.

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Interviews - selected results

General perceptions of the Green Deal (1)

- General attitude toward the Green Deal **diverse between countries**. It depends largely on historical, political and cultural conditions, as well as the level of economic development and even infrastructural deficiencies (IDI_9_FR, IDI_14_SK, IDI_10_RO, IDI_11_HU).
- Among the extremely favourable examples and cases highlighting significant difficulties in transitioning to green economies, example of Italy stand out, where there is **a growing awareness** of the impact of the Green Deal on the economic system and national objectives. Green transformation is **an epoch-making process**.
- Opinions on the Green Deal **are divided** (IDI_10_RO, IDI_15_SK).

Interviews - selected results

General perceptions of the Green Deal (2)

The financial sector plays a **special role** in the green transformation of economies (IDI_13_EWC).

Can be seen **an intensification** of the regulatory burden in the European banking market, an increase in the importance of the compliance function and an intensification of the disciplinary actions of bank supervisors are evident. The Green Deal is one of the most important regulations related to CSR.

It has been done by the finance sector and nowhere else because the it's not because of humanitarian considerations, but more because the finance sector and the central banks realized how much money can be lost by climate change. I mean, we had a big storm like here. And the first thing which said is, how much money did we lose? (IDI_9_FR)

Interviews - selected results

General perceptions of the Green Deal (3)

Employees in the financial sector tend to be **very well educated** and therefore their **awareness** of the impact of climate change **is higher than in other sectors**. There is also a growing level of interest among workers in these issues, although sometimes the line between obligation and desire to act on these issues is blurred (IDI_5_IT). Employees knowledge, attitudes, and behavioural patterns are fundamental to guiding society and successfully implementing a EU long-term development strategy.

So of course, the younger they are and the better they are educated, the more they are aware of something in in the banking sector. There are very educated people in general, so they are quite aware at the same time the banking sector has been is the first (IDI_9_FR).

Interviews - selected results

General perceptions of the Green Deal (4)

The biggest part of the financial sector are **multinational** and for this reason, from the one hand certain regulations are imposed in advance, on the other hand it allows to unify some activities and **increase their scale**. The great example of an initiative brings together a large network of banks, insurers and investors that collectively catalyses action across the financial system is the United Nations Environmental Programme.

I work in a bank that has a mother (head office) in Italy and from there are all these conceptions and all these things that are proposed - imposed by (EU) law to be implemented come in (IDI_14_SK).

The aim of this international collaboration is to facilitate the shift of the financial sector towards sustainability. With this commitment, the banking group wants to take another steps to establish responsible and green operations (IDI_11_HU).

Interviews - selected results

The Green Deal and SMEs (1)

- **The approach in this area is similar in each interview/country.**
- SMEs are not yet fully aware of the responsibilities they will face due to the Green Deal. **BUT** Implementation of green finance has an impact on SMEs.

WHY?

1. SMEs are suppliers to large corporations (including financial institutions), for which reporting related to the implementation of the Green Deal regulatory is obligatory → they require SMEs to meet and monitor pro-environmental requirements → these requirements are often different for particular large company → standardisation is needed

A lot of corporations, when they sign contracts, pay attention to the green transformation issues at the partner's place (IDI_14_SK).

(...) the ESG the global company will produce norms for SMEs. So that not every I mean if you work for one global company and maybe also another company that the companies can ask the same figures because otherwise every company will ask different figures (...) the SMEs will have double (IDI_9_FR).

Interviews - selected results

The Green Deal and SMEs (2)

2. Importance of SMEs in economy implies that regulations related to ESG are needed also for SMEs

In 2022 24.3 million SMEs were active in the EU-27 – 99.8% of all enterprises in the non-financial business sector (NFBS), with employment 84.9 million people (64.4% NFBS).

BUT there are many challenges in executing and managing ecological transition processes

- Economic and financial difficulty in making production method changes aimed at green transition and simultaneous productivity enhancement.
- SMEs' financing systems during transition is important, also to prevent negative social impacts (like great cut offs, dislocations, and relocation) → There is a potential to enhance financial sector actions and national policies to support this transition, but equally crucial is internally SMEs' organizing and networking (IDI_4_EWC).
- Lack of union presence within them brings to failing to address all the social interests involved in transition processes (IDI_5_IT, IDI_3_MNE) → the absence of collective bargaining in such enterprises is not surprising (IDI_2_EWC) (IDI_8_EWC).

Interviews - selected results

The Green Deal and SMEs (3)

Why and how financial institutions can support SMEs?

- ❑ Lack of effective entities providing information on transition process funding or managing SMEs according to their specific peculiarities → leaning toward the economic benefits of transition processes → aspects like the possible increasing of the outsourcing or job cuts are sometimes disregarded (IDI_3_MNE).
- ❑ Companies can look at green finance as an opportunity for business development in a specific direction related to pro-environmental activities. For companies, advisory assistance from banks would be valuable. The role of bank employees should move in the direction of being experts (IDI_10_RO).
- ❑ Banks could inform SMEs about the green transformation

Maybe such information as the board/the management sends to us, could be sent to the SME (IDI_14_SK).

Interviews - selected results

The Green Deal and SMEs (4)

Why and how financial institutions can support SMEs?

- ❑ Companies can look at green finance as an opportunity for business development in a specific direction related to pro-environmental activities. For companies, advisory assistance from banks would be valuable. The role of bank employees should move in the direction of being experts (IDI_10_RO).
- ❑ Banks could develop such transitional programmes so as not to suddenly impose too many obligations on SMEs. Some banks are already undertaking green deal initiatives in relation to SMEs, but the level is varied and rather low.

Maybe they will need someone to keep these regulations and all these aspects of this project. As a bank, we require it, because there must be some points which must be kept (IDI_15_SK).

In France, we have five big groups of banks and three of them are international and the other two are only national, and they cover the whole (...) territory of France and all of them. One of them has actually employed our former secretary general to help them with the Green Deal. So it's a trade unionist who works with them (IDI_9_FR).

Interviews - selected results

The Green Deal and the “brown” sector/s (1)

- ❑ Discussion about brown sector should be lead wider than only in relations to the coal mines (IDI_15_SK) and it should have geographically broader context (see UE vs. China or Africa approach) (IDI_9_FR, IDI_10_RO).
- ❑ **The approach in this area is related to the meaning of the fossil fuels in their energy mix**
- ❑ In some interviews this part of scenario was the most difficult to respondents – some respondents haven't knowledge on transformation processes in brown sector in their countries.
- ❑ In many countries (for example, Slovakia, France) fossil fuels has low share in the energy mix and that's why in respondents' opinions „brown sector” doesn't represent important topic in the green finance context (IDI_14_SK, IDI_15_SK, IDI_9_FR). The exposure of SMEs in the mining sector reduced by one third in the last two years, which is very important considering the sustainable future (IDI_1_HU).

Interviews - selected results

The Green Deal and the “brown” sector/s (2)

- In countries with high share of fossil fuels (as Romania or Poland) green transition is real economic and social problem – many people, especially men, will lose their job and they have no alternative on the local and national labour market. Additionally, in these countries no good alternative for coal is often perceived.

There are hundreds of thousands of people that are going to lose jobs (IDI_10_RO).

It's social costs. It's not only costs, it's also human costs, costs of depression, costs of people who feel all there were a lot of (IDI_9_FR).

- Concerned about costs, some unions denied climate change → no acceptance of such approach

Solidarnosc had been denying all of it. They said there is no there is no evidence of climate change (IDI_9_FR).

- On the other hand, changes in the energy mix also requires a huge cost and the indication of sources of funding (IDI_10_RO).

Interviews - selected results

The Green Deal and the “brown” sector/s (3)

- The government and UE support of brown sector transition is necessary.

I think mainly government, but also the European Union should sustain it because actually they come with this kind of new directives, which is translated as rules, as laws (IDI_12_RO).

- The role of the financial sector in these brown sectors becomes clear: an example is the discussions regarding due diligence directives.

I followed the directive on due diligence because I found it so strange. I mean, why not us (the financial sector)? (...) financially, if any investments were made in companies associated with the Rana Plaza disaster, there's a responsibility within the financial sector. When people invest their money in those companies, it becomes tainted money in my view. Now, it seems to be recurring with the environmental or ESG issues, often referred to as the green topic (IDI_2_EWC).

In this sense, it is clear how the **financial sector is central in promoting a green and just transition.**

Interviews - selected results

The Green Deal and the “brown” sector/s (4)

- Changes in „brown” production and services are taking place and they are inevitable.

When is written that the product is produced by, let's say brown means that it's not very attractive for people. People look for more. Products which are either recycled or other done with green energy (IDI_12_RO).

- Companies are gradually redirecting their production towards modifications and increased digitization. However, their primary motive for these changes is to augment productivity and competitiveness, to “stay in the market”. In such a context, the union primarily focuses on other matters like health, safety, or workers’ protection, using these issues as a platform to introduce discussions about the green transition. Concretely, **there have not been any specific proposals yet regarding training activities or information processes about ecological transition** (IDI_3_MNE).

Interviews – selected results

Competencies of employees in the financial sector and their development

- ✓ Developing the **knowledge and skills** of unionists and workers' representatives regarding European and national regulations, understanding their objectives and guidelines, as well as understanding business, territorial specificities, and sectoral challenges, sustainability issues and reporting (IDI_1_IT).
- ✓ Developing **cross-sectional skills**, especially relational, decision-making, and emotional competencies, managing emotions, a set of skills suitable for understanding ecological transition processes and designing related activities and tools, forming a “**transition culture**”, signifying a shift in mentality from conflict to collaboration with other stakeholders (IDI_4_EWC).
- ✓ Training regarding the transition seems more about **constant updating** and a **general understanding** of the context.

Interviews – remarks and recommendations

- ❖ The issue under study is very broad and multifaceted
- ❖ General perceptions of the Green Deal vary among countries
- ❖ Perceptions of the role of SMEs and the brown sector in a green and just transition are rather similar
- ❖ Hunger for knowledge tools (mechanisms, European and national regulations, models) and training (internal and external)

Interviews – remarks and recommendations (2)

Despite the established objectives by European and national regulations and the commitment, albeit still generally abstract, of the involved parties, interviews reveal a **considerable remaining effort** for social parties **in guiding and managing the transition**.

✓ TRAINING (knowledge & skills)

I think it's very important that all the trade unionists (global) do training for the trade unionists who will, who are in the firms to the extent they can (IDI_9_FR).

We need knowledge not in the sector because it's all about the sector, but in the niche in the line that are starting to grow, I mean green finance. You need to be people or department specialized in this kind of area (IDI_10_RO).

Interviews – remarks and recommendations (3)

Despite the creation of some bilateral committees to enhance collaboration between unions and workers' associations, there is still a **lack of concrete consultation and partnership among social parties.**

We constantly ask to be part of the process. I really hope that this new sustainability commission will be creative, and that unionists and head office personnel will seek solutions together. But not just ideas, we want something concrete, practical. I don't know what, but the issue is that anything requiring resources, even if we ask for nothing, they see it as a cost. We want to be involved in many things, including training programs (IDI_2_EWC).

Interviews – remarks and recommendations (4

- ❖ The need for pan-European and national debates on the subject
- ❖ The need to involve more stakeholders, including internal (employees, executives, HR people) and external (institutions, customers, society)
- ❖ The *status quo* is changing and there is a lot of information in the media/public space that is not supported by arguments and reliable knowledge

ACTION

PROMOTION

PARTICIPATION



#GreenFin

Thank you for attention

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