

Climate op-ed

Climate action is good for jobs but time is running out

By Werner Hoyer, President of the European Investment Bank

Climate action is under attack. Unfortunately, arguments such as "climate action will lead to lost jobs and lower economic growth" were also heard at the UN climate conference in Katowice, Poland. However, they are at odds with the overwhelming consensus among scientists. They are destructive, dangerous and false. The sceptics are wrong about the climate – and even more wrong about jobs. Climate action presents us with an opportunity to build a sustainable economy that creates and safeguards jobs and protects the environment.

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Meanwhile, Europeans are clear about the future they want. The first EIB Climate Survey shows that 78% of Europeans are "concerned" or "alarmed" about climate change. Only 1% deny that it is happening. Compare that to the US, where a clear majority of 63% are concerned or alarmed, but a significant 14% deny climate change exists. On jobs and growth, however, things are somewhat reversed. Only 21% of EU citizens believe climate action will be positive for the economy. In the US, 26% expect the economy to benefit from climate action.

Putting Europe on the sustainable growth path means working together to make our economies greener, more resilient and more inclusive. It requires supporting a circular economy that will not only reduce our environmental footprint but also strengthen Europe's competitiveness. Investing in Europe's productivity, strengthening competitiveness and reducing inequality can – and indeed must – go hand-in-hand with reducing emissions.

Three years ago in Paris, the UN's COP21 conference reached a historic agreement to limit the increase in world temperatures. The climate conference takes place annually. This week's edition in Katowice will be COP24. Since Paris we have progressed against a ticking clock. And there is no time for complacency.

What do we say to those who argue that climate action is a gamble on future economic benefits and unknown climatic events? Firstly, the science is conclusive. The unfolding disaster of climate change is evident. Secondly, we note that profits and jobs have stagnated or declined in many polluting industries for decades. Contrast that with concrete evidence of job growth in green economies over the last few years.

Since 2012, the number of jobs in the renewable energy sector has grown 45% worldwide, compared to an increase in all jobs of only 5%. In the EU, the increase is still more striking, with renewable energy jobs more than double their level in 2000, against a 7% overall increase in jobs. The transition to a low-carbon, sustainable economy could be worth €23 trillion by 2030.

To many it still looks like a risk. In many ways, they are right, because investments in new sectors are inherently more risky. That is why the European Investment Bank, the EU Bank, has committed to investing \$100 billion in climate action in the five-year period to 2020. When we back projects, we mitigate the risk for private investors just enough that they feel secure in joining this new wave of green finance. We back cities and towns – over 1,000 around the world – that seek financing for sustainable urban infrastructure.

Here is where our partnership with citizens is so vital. The EU passed 29 climate-friendly laws last year, compared to eight in the US and only four in China. These laws can nudge investment towards the public good. They have the power to spur and support investment from international financial institutions like the EIB, whose loans are rooted in both economic and policy goals. We watch the bottom line, but our strong inclination is to draw it in green ink.



The time is now: we have made the right decisions, but risk losing momentum. Let us not be distracted by the sirens advising that no change is happening and no change is needed. We are on the right track but far behind schedule, and falling further back with each day. As citizens, we fight by making our voices heard. The EU Bank and fellow multilateral policy and financial institutions are your partners in this fight.