

EXTRACTS  
FROM THE REPORT;  
GREEN JOBS, TOWARDS  
DECENT WORK IN A  
SUSTAINABLE LOW  
CARBON WORLD

IOE RESPONSE, PART 2

INTERNATIONAL ORGANISATION OF EMPLOYERS

*September 2008*



*The following are UNEDITED extracts from the Report. The full Report is available at UNEP (www.unep.org)*

*The section dealing with Sectors is a direct extract from the ILO Green Jobs Brochure*

*In selecting these parts to quote, we have gone beyond the Green Jobs references to put before you some of the more thought provoking issues that arise for business as a consequence of the need to meet the greenhouse gas emissions targets and move to a low carbon workplace.*

## **PART 1 : DEFINITIONS AND POLICIES**

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### ***SECTION 1, DEFINITIONS, SCOPE AND CONCEPTS***

“We define green jobs as positions in agriculture, manufacturing, construction, installation and maintenance, as well as scientific and technical, administrative and service-related activities that contribute substantially to preserving or restoring environmental quality. Specifically, but not exclusively, this includes jobs that help to protect and restore ecosystems and biodiversity; reduce energy, materials and water consumption through high-efficiency and avoidance strategies; decarbonize the economy; and minimize or altogether avoid generation of all forms of waste and pollution. But green jobs, as we argue below, also need to be good jobs that meet longstanding demands and goals of the labour movement – i.e. adequate wages, safe working conditions and worker rights, including the right to organize labour unions. (p20, para3)

Other studies, based on macro-economic calculations, do not focus on green industries but seek to determine the likely overall effect on the economy arising from policies aiming to reduce greenhouse gas emissions or other environmental impacts. They focus on the ways in which production costs may change, how demand for products and technologies may be altered by new regulations and standards, etc. (p20, para7)

As the move towards a low-carbon and more sustainable economy gathers momentum, growing numbers of green jobs will be created. (p29, para2)

Not everyone will be a winner. There will also be losers - at least temporarily. These include employees of companies that are slow to rise to the environmental challenge, heavily polluting industries and regions where many livelihoods depend on them. The policy challenge is not to let these distinctions become permanent features. The transition to sustainability and greener employment needs to be well planned. (p29, para3)

Companies, countries and regions that become leaders in green innovation, design and technology development are more likely to retain and create new green jobs. This will translate into tremendous market and export opportunities for the early actors. The laggards, however, may well incur substantial business and job penalties. (p29, para5)

## **SECTION 2, GREEN POLICIES AND BUSINESS PRACTICES**

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### ***OPPORTUNITY AND INNOVATION***

With growing awareness of the global environmental crisis, growing confirmation that climate change is a real and imminent challenge, rising oil prices, as well as concerns over energy supply security in many countries, more and more opportunities are emerging for expanding green business. The World Business Council for Sustainable Development (WBCSD) offers the following pragmatic reasons why business should consider investing in sustainable ecosystems.

- Create new revenue streams by introducing innovative products and services.
- Reduce dependence on increasingly scarce raw materials or fragile services through the introduction of substitutes or the use of alternative abundant or renewable resources.
- Mitigate rising costs caused by scarcity of raw materials.
- Create new markets for certified, fair trade, organically grown or environmentally friendly products.
- Develop new businesses such as water-quality trading, wetland banking, mitigation credit trading, threatened species banking, or pollution prevention, capture, treatment and reuse.
- Strengthen businesses' license to operate.

Corporate executives increasingly understand that they need to scrutinize their way of doing business. Beyond the factors listed above, forward-looking business leaders understand that public legitimacy, consumer trust and the ability to comply with present and likely future regulations are critical. (p31, para1)

### ***THE GROWTH IN GREEN MARKETS:***

At present, the global market volume for environmental technologies—products and services—runs to about \$1,370 billion (€1,000 billion), according to German-based Roland Berger Strategy Consultants, with a projected \$2,740 billion (€2,200 billion) by 2020. The firm offers the following estimates for individual market segments:

- Energy efficiency technologies (appliances, industrial processes, electrical motors, insulation, etc.): \$617 billion (€450 billion) at present; \$1,233 billion (€900 billion) by 2020
- Waste management/recycling: \$41 billion (€30 billion); \$63 billion (€46 billion) by 2020
- Water supply/sanitation/water efficiency: \$253 billion (€185 billion); \$658 billion (€480 billion) by 2020
- Sustainable transport (more-efficient engines, hybrids, fuel cells, alternative fuels, etc.): \$247 billion (€180 billion); \$493 billion (€360 billion) by 2020.

Constructing a green, post-carbon world will undoubtedly entail a massive undertaking in areas like the electricity network and off-grid applications; mass transit and less-polluting cars, the building sector; and organic and sustainable agriculture. Currently, much of the world's infrastructure – industrial machinery, buildings and transportation systems – is still highly inefficient and overly reliant on fossil fuels. Hence, there are unparalleled investment and employment opportunities in reorienting the world economy's products, services and jobs, towards a greener future. (p31, para3)

## **THE POLICY TOOLBOX, MANDATES, P 38**

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### ***EXTENDED PRODUCER RESPONSIBILITY***

Green production—and employment—starts with the design of products that minimize resource inputs, avoid the generation of waste and emissions, and can easily be disassembled, recycled, remanufactured, or reused. To encourage companies to move in this direction and assess the full lifecycle impacts of their products, a growing number of governments are adopting “extended producer responsibility” (EPR) laws that require companies to take back products at the end of their useful life. These typically ban the land filling and incineration of most products, establish minimum reuse and recycling requirements, specify whether producers are to be individually or collectively responsible for returned products, and stipulate whether producers may charge a fee when they take back products.

The EPR philosophy had its beginnings in Germany's Packaging Ordinance of 1991, widely credited with motivating many other governments in Europe, Asia and Latin America to embrace this concept (the United States, by contrast, is lagging behind). The EPR approach has spread far beyond packaging to encompass a growing range of products and industries, including consumer electronics and electric appliances, office machinery, cars, tyres, furniture, paper goods, batteries and construction materials.<sup>1</sup> (See Table I.2-3.)

**Table I.2-3. Extended Producer Responsibility Laws, Selected Industries**

Product Area/ Industry	Countries with EPR Laws
Packaging	More than 30 countries, including Brazil, China, the Czech Republic, Germany, Hungary, Japan, the Netherlands, Peru, Poland, South Korea, Sweden, Taiwan and Uruguay (beverage containers only)
Electric & Electronic Equipment	Currently, more than a dozen countries, including Belgium, Brazil, China, Denmark, Germany (voluntary only), Italy, Japan, Netherlands, Norway, Portugal, South Korea, Sweden, Switzerland and Taiwan.
Vehicles	Brazil, Denmark, France, Germany, Japan, Netherlands, Sweden and Taiwan
Tyres	Brazil, Finland, South Korea, Sweden, Taiwan and Uruguay (considering voluntary measures)
Batteries	At least 15 countries, including Austria, Brazil, Germany, Japan, the Netherlands, Norway, Taiwan and Uruguay (considering voluntary measures)

Note: Except for tyres, EU Directives have been promulgated in all of the sectors covered in the table. In addition to national rules already adopted by a number of EU members independent of EU action, these Directives are binding on all member states.

Driven by concern over rapidly accumulating electrical and electronics waste from computers, cell phones and similar equipment, the EU adopted an Electronic and Electrical Equipment Directive in February 2003. A companion directive on Restrictions on Hazardous Substances (RoHS) requires that manufacturers of electronic and electrical equipment no longer use lead, mercury, cadmium, hexavalent chromium and the brominated flame retardants PBDE and PBB in products sold after July 1, 2006. There is growing concern worldwide about these hazardous materials; Japan is the leader in eliminating such substances from electrical and electronic products. (p38)

***ECO-LABELLING***

Eco-labelling programmes “pull” the market by providing consumers with the requisite information to make responsible purchasing decisions, and hence encourage manufacturers to design and market more eco-friendly products. Labelling schemes have been developed for a wide range of products, including appliances, electricity, wood products and agricultural goods such as

coffee and bananas. Some focus on a single product or product class, whereas others evaluate a broad range of items. (p39, para1)

### ***ENERGY TARGETS AND MANDATES***

Regulatory tools play a crucial role in the drive to develop greener technologies, products and services. This includes land-use policies (for which jurisdiction tends to be on the local and regional, rather than national, level), building codes, various kinds of energy efficiency standards and targets for renewable energy production.

A growing number of governments have mandated efficiency standards for household appliances. By 2000, for instance, 43 countries had such programmes in place – seven times as many as in 1980. Most of these were in Europe and Asia. The Australian Government, meanwhile, announced in February 2007 that all inefficient light bulbs will be phased out by 2009-2010 in favour of more efficient compact fluorescent lamps (CFLs). It expects that the move will reduce the country's greenhouse gas emissions by 4 million tons by 2012. (P38, para's7,8)

### ***PROMOTION OF ENERGY ALTERNATIVES***

The success of Germany and Japan in transforming themselves into leaders in renewable technologies in less than a decade is testament to the fact that proper policies play a more fundamental role than an ample resource base: long-term commitments, consistent policies, the use of gradually declining subsidies, and an emphasis on government R&D and market penetration. (p42, para1)

### ***SECTION 3, TOWARDS A NEW PRODUCTION/CONSUMPTION MODEL, P44***

Modern economies mobilize enormous quantities of fuels, metals, minerals, construction materials, and forestry and agricultural raw materials. The changes that are in place or in the works today have made the global economy more resource-efficient and have the potential to substantially reduce its reliance on fossil fuels. However, the limits of these changes are also evident. Gains in efficiency may simply be overwhelmed by continued economic growth. More far-reaching concepts – such as dematerialization, remanufacturing, “zero-waste,” closed-loop systems, making products more durable and repairable, and replacing products with efficient services – have been discussed for some time, but need to be translated into reality on a more urgent basis. (p44, para1)

The standard industrial “cradle-to-grave” approach means that raw materials are extracted and processed, and the substances not directly useful to a factory become unwanted waste. An alternative “cradle-to-cradle” system seeks to build integrated, closed-loop systems, in which the by-products of one factory become the feedstock of another, instead of becoming environmental time bombs. (44, para6)

## ***A NEW SERVICE ECONOMY, P47***

A sustainable economy implies an emphasis on “quality retail,” in which the salesperson knows how to sell intelligent use rather than simple ownership. This means advising consumers on the quality and upkeep of products; counselling them on how to extend usefulness with the least amount of energy and materials use; and diagnosing whether upgrades or other changes may maximize the usefulness of a product. Because such a system is not geared to increasing materials use – focusing merely on getting products out of the showroom or off the store shelf – but instead to ensuring consumer utility and satisfaction, it entails jobs with higher skills and pay. It also implies expanded education and training. (p47, para5)

## ***SELLING PERFORMANCE***

In a similar vein, we see the emergence of “performance contracting.” Companies dedicated to this principle measure their success by the degree to which they help their customers – private sector firms, government agencies, hospitals and others – cut their use of energy, raw materials and water, and therefore the bills for these inputs. They are paid with a share of the achieved savings. In marked contrast to traditional business interests, it is avoided resource consumption and prevented waste and pollution that makes such companies thrive. In the United States, energy services companies that earn most of their money by delivering efficiency services to utilities, state and local governments and other customers are estimated to have had revenues of \$3.6 billion in 2006. With the exception of the period 2001-04, they have experienced annual growth of about 20 percent in their business since 1990.

The concept of focusing on performance rather than increasing inputs is catching on even in one of the most pollution-intensive industries – cleaning. Dow Chemical and Safety-Kleen have begun to lease organic solvents to industrial and commercial customers, advising them on their proper use, and recovering these chemicals instead of leaving the customer responsible for disposing of them. A German subsidiary of Dow Chemical, SafeChem, is planning to take this a step further, charging customers by the square meter degreased rather than by the litre of solvents used. Selling a service instead of the chemicals gives SafeChem a strong incentive to use fewer solvents. (48, para’s3,4)

## ***RETHINKING CONSUMPTION***

More-efficient and cleaner technologies are essential instruments in the sustainability toolbox—promising to moderate modern economies’ draw on resources. And the emergence of a new type of service economy will provide additional manoeuvring space in the quest for a more sustainable economy. Sooner rather than later, however, we need to confront the spectre of insatiable consumerism itself. There is a danger that the consumer juggernaut will overwhelm even the most sophisticated methods and technologies that can be devised to make consumption lean and super-efficient. Consuming better does not obviate the need to consider moderation in overall consumption levels. It is worth recalling ecological economist Herman Daly’s warning that “*to do more efficiently that which should not be done in the first place is no cause for rejoicing.*” And

Wolfgang Sachs of the Wuppertal Institute in Germany has cautioned that we need to think as much about sufficiency as efficiency.

How societies go about the task of discouraging “excessive” consumption (at least in the wealthy countries; the world’s poor, by contrast, indisputably need to increase their consumption if they are to leave behind conditions of misery) is not part of the remit of this report. But what needs scrutiny is the predominance of highly individualized consumption patterns that inevitably lead to the multiplication of many goods and services on a grand scale—a redundancy that implies far greater material requirements than necessary. The balance of public and private consumption needs as much attention as the development of less-polluting technologies. (P49, para 3)

### ***A NEW APPROACH TO WORK HOURS***

It took close to a century to arrive at the 40-hour workweek in most industrial countries. Most employers have been very reluctant to agree to more reductions, and a shift in the employer-union balance of power, with waning union strength and rising pressure from globalization, has made further change difficult. By and large, a full-time job at something like 40 hours per week is still considered the norm for anyone wanting to be considered eligible for employment with career advancement opportunities. (P50, para 5)

The discussion about work-time reductions has progressed in starts and fits and remains controversial. Proponents have principally been interested in the potential benefits that such initiatives would bring with regard to reduced unemployment and gains in quality of life. But this is also an issue that relates to environmental challenges. If the work-and-spend pattern can be broken, and if reduced work hours still allow people to make ends meet – admittedly big “ifs” – then the environmentally destructive impacts of consumerism could be reduced. At the same time, these are issues that will remain applicable only to a portion of humanity. For the majority that struggles to escape poverty, long work hours are, at least for the time being, an inescapable reality. (P51, para1)

Certainly, a large and sudden decline in consumer spending would likely send the world economy – premised on endless growth – into a tailspin and cause major unemployment. But moving toward a less consumptive economy more gradually and deliberately would allow time to reorient how the economy functions, giving companies and employees an opportunity to adjust. Smoothing a transition will be a series of investments and technological innovations to accomplish the shift toward sustainability. Promoting renewable energy sources; expanding public transit systems; replacing inefficient machinery, equipment, buildings, and vehicles with far more efficient models; redesigning products for durability – all of these activities amount in effect to an ecological stimulus programme for the economy.

It is crucial to retool not only the economy, but also economic thought. Right now, economic actors are primed to respond to quantitative growth signals. The concept of the gross domestic product, in which all economic activities are lumped together whether they contribute to or detract from well-being, still reigns supreme. A sustainable economy needs a different way of measuring human activity and of providing signals to investors, producers and consumers. It needs a different

theory, abandoning the outdated assumption that quantitative growth is unconditionally desirable and embracing instead the notion of qualitative growth. (P51, para 3)

## **SECTORS**

**Energy supply – renewable sources of energy:** more than 2.3 million green jobs have been created in recent years, even though these still only supply two per cent of energy. The wind power industry employs some 300,000 people, the solar PV sector an estimated 170,000, and the solar thermal industry more than 600,000, many of the latter in China. Data are available only for seven countries and the estimate is almost certainly conservative. Half of the reported jobs are in emerging and developing economies.

Bio energy has a particularly high potential to create employment. It accounts for half the reported jobs. The environmental and social merits of bio energy as an alternative fuel for transportation vary greatly. Under favourable conditions, they can contribute substantially to reducing greenhouse gas emissions from transportation. The quality of jobs in the bio fuels industry also varies significantly. There are high income and generally decent jobs. In other cases they are very poor and conditions can even violate fundamental human and labour rights.

**Energy efficiency, particularly in buildings and construction:** has one of the biggest potentials to reduce greenhouse gas emissions and to create jobs in the process. Some four million direct green jobs based on improving energy efficiency already exist economy-wide in the United States and some European countries. Buildings currently account for less than one million of this total but could be a source of many more green jobs.

Buildings are responsible for 30-40 percent of all energy use, greenhouse gas emissions and waste generation. Construction and renovation of buildings is also the sector with the highest technical and economic potential for reducing emissions. This conclusion is supported by the Inter-Governmental Panel on Climate Change as well as by the McKinsey Global Research Institute. Using current technology, high-performance buildings have the potential to save energy by at least 80 percent compared with traditional building construction. Jobs in this sector are likely to be performed by people who already work in the building sector, but redefined in terms of new skills, training and certification requirements.

Nearly all efficiency measures, especially in the building sector, show positive employment and economic effects. A 2000 study by the U.K. Government concluded that, for every \$1.4 million (€1 million) invested in residential energy efficiency, 11.3 to 13.5 FTE (full-time equivalent) jobs were created. Half of the economic potential for efficiency gains in buildings is located in developing countries, but no data on existing or potential jobs is available for that part of the world.

**Transportation:** is the lifeblood of the globalized economy. While efforts are being made to reduce the footprint of cars, mass transit offers lower emissions and more green jobs. Only some 250,000 jobs in the manufacture of fuel efficient and low pollution and emissions cars can be considered green, against over five million jobs in railways in China, India and the European Union alone, and millions more in public transport worldwide.

Railways can generally be regarded as sources of green employment. Unfortunately, the trend over the last few decades has been away from railways in many countries, and toward cars, trucks and planes. Employment – both in operating rail lines and in manufacturing locomotives and rolling stock – has fallen accordingly.

Employment statistics for urban transit are incomplete and trends vary considerably by city and country. But some 1.3 million people work in public transit in the European Union and the United States alone. Mass transit is a growth sector in a low-carbon world, particularly in the mega-cities of the developing world. Bus Rapid Transit systems are being put in place in growing numbers of cities around the world, providing affordable and reliable transit options. There are also substantial green employment opportunities in retrofitting diesel buses to reduce air pollutants, and in substituting cleaner CNG or hybrid-electric buses. In New Delhi, the introduction of 6,100 CNG buses by 2009 is expected to lead to the creation of 18,000 new jobs.

***Basic industries and recycling:*** industrial sectors like iron and steel, aluminium, cement, pulp and paper account for a large share of the use of energy and raw materials as well as of emissions of greenhouse gases, but a relatively small proportion of global employment. Greening basic industries is difficult and fewer than 300,000 jobs in iron, steel and aluminium can be considered a shade of green.

The best option for reducing the impact of these industries is recycling. Secondary steel production, based on recycled scrap, requires 40-75 percent less energy than primary production and can therefore be seen as a proxy for greener production. Worldwide, 42 percent of output was based on scrap in 2006. Possibly more than 200,000 jobs are involved in secondary steel production worldwide.

The Bureau of International Recycling in Belgium estimates that its members in 60 countries employ more than 1.5 million people. But this is a serious undercount. Recent reports put the number of recycling and remanufacturing jobs in the United States alone at more than one million. Jobs in this sector in Western Europe and Japan can be assumed to be even more numerous, as these regions have achieved higher rates of recycling than the United States. In China, an estimated 10 million people are employed in all forms of recycling, with 700,000 alone in electronics recycling. Brazil is thought to have some 500,000 recycling jobs. Communal recycling and composting efforts in all likelihood add many additional jobs.

All forms of recycling provide 12 million jobs in the three countries for which data could be found (Brazil, China, United States). The report cautions, however, that many existing recycling jobs cannot be considered green because they cause pollution and health hazards and are not decent work.

*Agriculture* is still the single largest employer in the world with 1.3 billion farmers and agricultural workers. Decades of neglect and deteriorating farm gate prices have led to unsustainable land-use practices and to bad jobs and low incomes, turning farmers and agricultural workers into the biggest contingent of poor people in the world. Agriculture is both extremely vulnerable to climate change and a major contributor to it. It is also a major user and polluter of water, a driver of deforestation and of loss of biodiversity. While it is not possible with current statistics to put a

number on green jobs in the sector, the report finds that there is considerable potential as evidenced by sustainable practices on productive family farms, organic production and successful adaptation to climate change.

Small farms are more labour intensive. With adequate technical and infrastructural support, yields from small farms using crop rotation, manuring, natural pesticides and other sustainable methods can match the larger but often more environmentally damaging facilities. A policy-driven conversion to this type of farming will perhaps take decades, but the potential for green and decent work is considerable and the environmental benefits could be enormous.

With sales reaching \$100 billion in 2006, organic farming is beginning to register an impact. Greener and somewhat more labour-intensive than industrialized agriculture, the conversion of more farmland for organic production could provide a good source of green employment in the future. A study of 1,144 organic farms in the United Kingdom and Ireland showed that they employed one third more full-time equivalent workers per farm than conventional farms. Organic agricultural land amounts to 4.3 percent and one percent of the total farm area in these two countries, respectively. If 20 percent of farmland became organic in both countries, there would be an increase of 73,200 jobs in the United Kingdom and 9,200 in Ireland.

Paying rural dwellers for repairing and protecting the natural environment could generate very large numbers of jobs. In South Africa, a public “Working for Water” programme has provided work for 25,000 previously unemployed people. Terracing or contouring of land, building irrigation structures, water conservation and other such activities are labour-intensive and will also provide employment, as will the rehabilitating of dams, barrages and embankments.

*Forests* play a major role in maintaining the world’s natural life-support systems. Like in the case of agriculture, data is scarce and it is impossible to establish which proportion of the about 40 million jobs and of the 60 million livelihoods of indigenous peoples can be considered sustainable and green. Given the hopes pinned on forests as carbon sinks and their role as providers of renewable raw material, pools of biodiversity, regulators of water flows and other environmental services, it is clear that green jobs in forests will play an increasing role in the future.

## **PART 3, OUTLOOK AND CONCLUSIONS**

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### ***BUSINESS APPROACH, P178***

Many leaders of the business community recognize the need for more sustainable forms of production and consumption. Business also largely accepts that climate change is a shared problem and that climate stabilization is a shared responsibility. But just as there are risks and opportunities for workers, the same is true of employers. Business therefore sees a compelling need to ensure that the burdens of responsibility for achieving sustainability and climate protection are distributed equitably. Government support and assistance for business should be provided where needed.

In general, the sustainability of enterprises will be contingent on their capacity to honour their social obligations while at the same time remaining commercially viable producers of goods and services. Failure to achieve the latter will make the former more or less irrelevant, because only commercially-successful businesses can continue to employ people and thus serve communities. Indeed, the ILO recognizes “*sustainable enterprises are a principal source of growth, wealth creation, employment and decent work.*” It is therefore in the public interest to ensure that businesses remain viable in the traditional commercial sense in order to be sustainable.

The transition-related obligations of businesses can therefore extend only so far. Just as workers, especially those not protected by collective agreements or with the means to access entitlements, must be able to call on their government to act on their behalf and to provide direct assistance, the same rights must be extended to businesses who are similarly vulnerable and in need of financial and technical aid. However, governments’ capacity (and willingness) to accept responsibilities for both workers and businesses will also vary considerably. Governments, in protecting the interests of entire societies and as overseers of economic development, should promote the viability of private and public enterprises and help to preserve their capacity to employ, reward and protect workers. In this view, helping companies therefore almost invariably helps workers and communities.

Moreover, governments must also concern themselves with the “micro” economic issues that affect the sustainability of enterprises. These include the need to provide the working capital to meet extraordinary commitments for redundancies or relocations as well as the infrastructure to provide education, training, retraining, and even influencing of consumer attitudes and trends. Governments therefore have a responsibility as part of their economic and social management programmes to ensure that all the links in the supply chain can withstand the challenges of transition, and to ensure the economy as a whole remains viable and sustainable.

Regarding the environment, the Global Compact articulates three principles for business to follow. Firstly, businesses should support a precautionary approach to environmental challenges; secondly, businesses should undertake initiatives to promote greater environmental responsibility; and thirdly, businesses should encourage the development and diffusion of environmentally-friendly technologies. These principles serve as important points of reference for businesses as they attempt to address the key environmental challenges. They are intended to direct activity to areas such as research, innovation, cooperation, education and self-regulation that can positively address the significant environmental degradation and damage to the planet’s life-support systems, brought by human activity.

The capacity of individual businesses or the business community as a whole to apply these principles on a day-to-day basis remains, however, both an unanswered question and a formidable challenge. There are differences of philosophy and approach between businesses and civil society actors (especially trade unions) around who should shoulder what responsibilities. Businesses frequently have a broad range of obligations to consider. They have obligations to governments as taxpayers, to consumers, suppliers and investors, as well as to employees and communities. They usually operate in a competitive marketplace and can sometimes ill-afford to make commitments to workers who they no longer require.

As discussed elsewhere in this report, many investors today routinely expect returns that would have been regarded as exceptional just two or three decades ago, and within shorter time frames. Still to be explored is the impact that climate change in particular will have on the terms and conditions of employment. New issues will surely arise that will have as-yet unknown effects on the workplace, labour markets and the social negotiations that will determine the shape and character of the transition to a sustainable future. Traditional labour-management tools and mechanisms for negotiation are likely to be particularly useful. These tools and mechanisms may constitute the first line of defense and a platform for action in shared efforts to deal with the employment and societal challenges that lie ahead.

### ***TRADE UNION APPROACH***

The trade unions' approach to Just Transition is entirely consistent with the ILO's efforts to win broad and meaningful commitments to workers' rights, basic protections, decent work and social dialogue. Like the ILO, unions have been pressuring governments and employers to make these commitments long before the present challenge to building a green economy moved to centre stage. Unions understand that Just Transition cannot occur without an employment-focused macroeconomic policy. It also means that businesses need to make efforts to ensure that the concerns of communities where their operations are taken into account are adequately addressed.

But the starting point for the trade unions is the realization that the transition to a green economy will create both risks and opportunities for workers. Therefore, the trade unions have made Just Transition a top priority. While enthusiastic regarding the prospects of green employment growth, trade unions wish to ensure that workers who lose their jobs as a result of moves towards sustainability should be adequately protected and assisted. This is not just an issue of equity; it is also a means to reduce resistance to change among groups of workers who would stand to lose as a result of environmental or climate protection policies.

The International Trade Union Confederation (ITUC) and the Trade Union Advisory Committee to the OECD (TUAC) have highlighted the need for worker retraining and protections for those who are driven out of the labour market either permanently or temporarily. Unions are also concerned that communities harmed by the closure of workplaces are targeted for fresh investment as part of a Just Transition, and that new jobs created (like green jobs in general) are of good quality and pay enough to sustain workers and their families. At the UN climate change negotiations, the ITUC and TUAC have also promoted the need for further research on the short- and long-term employment effects through sector-by-sector and regional employment analyses.

Just Transition is, however, more than just about the protection of those who might be negatively impacted by climate protection and other environmental policies. Unions have also highlighted the need to involve workers in all levels of decision-making, but especially in the workplace where the worker/union voice is needed in determining the design of new sustainable production systems and work practices.

Just Transition is therefore a building block for a sustainable economy. Accordingly, unions have sought to establish the idea of a Just Transition in the ongoing debates on sustainable development. The ITUC and TUAC have participated in the negotiations dealing with the implementation of the

Kyoto Protocol. They have highlighted the need to obtain workers' support in order to reach a global consensus on prevention of climate change.

### ***THE NEXT GREAT TRANSFORMATION***

In his epic work *The Great Transformation*, Karl Polanyi described how, in the century or more leading to World War II, governments provided the structures and policies to support and shape a modern market economy. At the same time, those governments needed to mitigate the harsh social effects of unregulated and uncontrolled economic practices. The next transformation will actually be greater still in the sense that it will need to be much faster, more global and altogether more equitable than anything yet seen in human history. Such a rapid and thorough-going change will require governments, business and civil society to rethink their traditional roles. A new balance between competing interests needs to be struck so that commonly-established targets and objectives can be pursued. (P199, para1)

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