Decent Jobs in a Safe Climate:

ILO Solutions for Climate Action

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Why does the link between climate change and employment matter?

Climate change poses major risks to economic prosperity and social progress. Current carbon and resource-intensive approaches to economic growth and development will increasingly undermine productivity and affect enterprises, jobs, livelihoods and in some cases even the ability of households to remain in their region. According to ILO estimates, a continued rise of emissions until 2050 would result in the loss of over 7% of global economic productivity.¹

Box 1: Unabated climate change poses significant risks to livelihoods and jobs

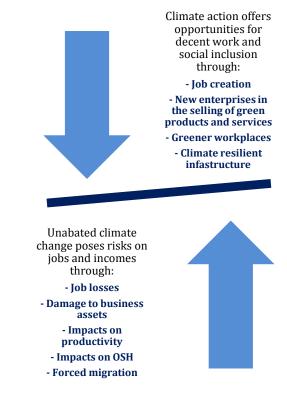
Unabated climate change will exacerbate damage to infrastructure, disrupt business activity, and destroy jobs and livelihoods on an unprecedented scale.

For example, in Bangladesh, Cyclone Sidr disrupted several hundred thousand small businesses and adversely affected 567,000 jobs in 2007. In the United States, hurricane Sandy left 150,000 workers displaced and employment was overall reduced by over 11,000 workers only in New Jersey in 2012. More recently, when Typhoon Hagupit hit the Philippines in December 2014, it affected around 800,000 workers, with their source of livelihood damaged or disrupted overnight.

Sources: ILO (2013) *Sustainable development, decent work and green jobs.* Report V to the 102nd Session of the International Labour Conference (ILO, Geneva)

¹ ILO. 2012. <u>Working towards sustainable development.</u> <u>Opportunities for decent work and social inclusion in a green economy</u> (UNEP, ILO, IOE and ITUC)

Figure 1: The linkages between climate change and decent work



By contrast, if properly managed, climate change action can lead to more and better jobs, poverty reduction and social inclusion in the quest for a sustainable and lowcarbon economy. The ILO reports that the transition to a greener and low-carbon economy could generate up to 60 million additional jobs worldwide over the next two decades compared to a 'business-as-usual' development path. Proactive management of the impacts of climate change can also ensure that the risk of displacement – either because of destruction of homes, or land being made uninhabitable because of slowenvironmental impacts minimized, and people are given the opportunity to relocate to a place where they have secure access to land and livelihoods.

"The actors in the world of work - governments, employers and workers - are agents of change, who are able to develop new ways of working that safeguard the environment for present and future generations, eradicate poverty and promote social justice by fostering sustainable enterprises and creating decent work for all".

Guy Ryder, Director-General of the ILO.

Message at the occasion of the World Environment Day 2014.

Given the scale, complexity and urgency of the challenge of climate change on the one hand and those of social inclusion and decent work on the other, taking a holistic approach to confront these challenges is not an option, but a global necessity.

The forthcoming 21st Conference of the Parties to the UNFCCC (COP21) in Paris in December 2015 will be a critical and historic moment to reach a universal new climate agreement that enables the international community to act with a long-term vision of a climate neutral world in the second half of the century. Achieving this goal requires the mobilisation of all energies and actors, nationally and internationally.

ILO constituents – governments, workers and employers – have been actively engaged in the climate process, voicing concerns that a new climate change agreement must address employment, social inclusion and just transition issues to be viable.

Box 2: The world of work calls for a "Just Transition" for all

Discussions on sustainable development, decent work and green jobs at the 102^{nd} session of the International Labour Conference (ILC) in 2013 recognized that the transition to environmentally sustainable economies and societies offer major opportunities as well as a number of challenges to the world of work. As stated in the conclusions: "managed well, transitions to environmentally and socially sustainable economies can become a strong driver of job creation, job upgrading, social justice and poverty eradication".

A transition to a low-carbon, greener economy will imply the creation of new jobs in environmentally friendly production processes and outputs, whereas other jobs will be at risk, in particular in those sectors with fewer options for a transition towards a more sustainable ways of production. It will, therefore, affect employment through the volume, composition and quality of jobs across sectors, as well as in the level and distribution of income.

The adoption of a just transition framework at the 2013 ILC can help countries better understand and manage the shift to low-carbon economies. Numerous policy areas and institutional arrangements were identified as key notably macroeconomic and growth policies, industrial and sectoral policies, enterprise policies, skills development, occupational safety and health, social protection, active labour market policies, rights and social dialogue and tripartism.

The objective of a so-called 'just transition framework' is to ensure that the employment effects and dynamics are understood well in advance and that policies promote decent work opportunities for all those affected by the transition process.

See the <u>Conclusions of the International Labour</u> <u>Conference 2013</u> and the <u>report</u> on Sustainable development, decent work and green jobs

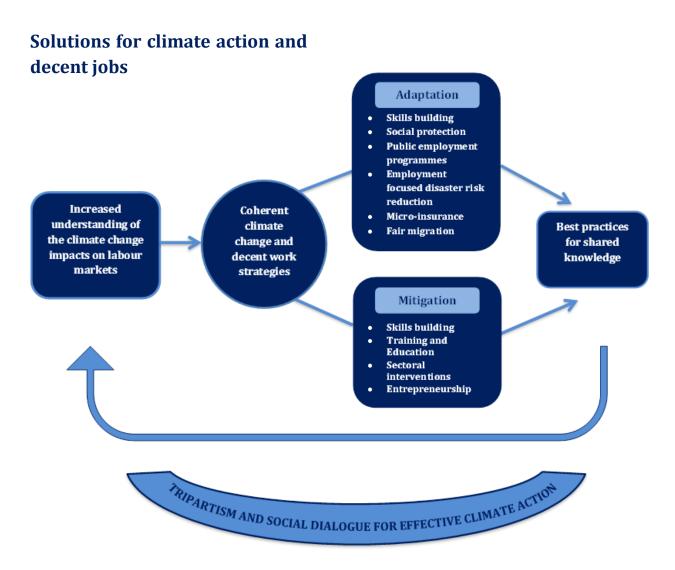


Figure 2: How to drive solutions for climate change and decent jobs

1) Increased understanding of the impacts of climate change on employment and incomes is essential for developing coherent policies.

Analysing the links between climate change impacts and policies, on the one hand, and social and labour market outcomes, on the other, is essential for informed and effective policy responses.

The ILO has, since 2007, been analysing such linkages and as a result fears about job losses have been allayed and the focus has shifted to the opportunities for more and better jobs. The need to anticipate and

attenuate negative employment and social impacts is also more widely recognized.

This applies to workers affected by structural change, to countries suffering major impacts from climate change (Caribbean and other island states, South Asia, and Sub-Saharan Africa) and to poor segments of society. The latter are disproportionately affected by the effects of climate change but also by tax measures aiming at internalizing costs of fossil fuel such as carbon pricing and abolition of fuel subsidies. A careful assessment of how these measures may impact low-income households and mechanisms to ensure they

are not worse-off as a result should be put in place.

The identification of employment impacts of Nationally Determined Contributions (NDCs) through labour market and green jobs assessments help prioritize economic activities with positive employment outcomes and better climate results.

Similarly, fair migration from particularly environmentally vulnerable locations can also minimize the degradation of strained resources whilst also creating positive labour market outcomes for migrants and their households, through decent jobs abroad.

The following tools, guidelines and policy advice resources are available to support climate action:

- Climate Change and Labour: The Need for a "Just Transition"
- ➤ The Employment Effects of Climate Change and Climate Change Responses: A Role for International Labour Standards?
- Guidelines for the statistical definition and measurement of employment in the environmental sector
- Assessing Green Jobs Potential in Developing Countries: A Practitioner's Guide
- ➤ <u>Local Development and Decent Work</u> Resource Kit
- ► Employment Impact Assessments of infrastructure investments and projects
- ➤ The Labour Based technology Source Book: A catalogue of key publications
- 2) Adaptation measures should be supported through social protection, public employment programmes for disaster risk reduction, micro-insurance and fair migration options to help the most vulnerable.

Climate change is having direct impacts on governments, workers and employers. Thus, specific measures to meet their needs in the face of increased risks and help the preparedness of the most vulnerable to cope with adverse effects should form part of an approach to climate change adaptation.

Adaptation efforts imply a range of policy interventions including social protection public employment programmes; micro-finance and micro-insurance; skills development; local markets and enterprise development, all of which should build on strong and effective social dialogue. In particular, reducing the risk of displacement should be a key policy priority. In this regard, governments and social partners need to consider the role that voluntary and planned migration can play in creating decent work opportunities for people vulnerable to climate change impacts. Both natural disasters and slowonset impacts such as sea level rise and diversification create risks that need to be managed through proactive planning and research on potential destination areas that can provide decent work avenues – whether for some household members (as an income diversification whole strategy) or communities.

Below are a few intervention models and solutions being applied across the world.

Employment-focused responses to climate disasters in the Philippines: After the Typhoon Haiyan tore the Philippines in 2014, the ILO worked with the Department of Labour and Employment of the Philippines to put in place emergency employment programmes. This brought about immediate income and guaranteed minimum wage, social protection and safety and health to thousands of workers who

had lost their livelihoods, while also ensuring better opportunities for communities in the longer term.

Disaster Risk Reduction in Fiji: Very often labour migration or relocation becomes a necessity as the risks posed by climate change become more prevalent. In Fiji, the ILO's Cash for Work programme brought together government, communities and volunteers to help villagers threatened by climate change. The challenge: to move an entire village to higher ground.

Public employment programmes: Innovations public in employment programmes through green works in water management. forestry and other infrastructure-related works have demonstrated to be efficient in promoting climate resilient sustainable development, but also essential in providing employment and additional income opportunities to those most affected and vulnerable to the impacts of climate change. Countries such as South Africa ("Working programmes), Ethiopia (Productive Safety Net Programme) or India (Mahatma Gandhi National Rural Employment Guarantee Act) have illustrated the key role such interventions can have as part of public employment programmes which are also contributing to social protection floors. They can assist exposed populations to cope with the impacts of climate change and to adapt successfully offering employment to the physically-abled to work.



Image 1 Youth Employment for Sustainable Development project in Kenya

Social protection floors: Social protection, including basic social security such as healthcare and minimum income schemes, is a well-established mechanism for reducing vulnerability and risk sharing with regards to loss of income, and its strengthening should be an integral part of adaptation measures.

Micro-insurance against climatic risks in the Philippines: Micro-insurance has proven to offer a powerful instrument for allowing farmers to cope with the adverse consequences of natural disasters as it compensates them for their financial losses and helps secure their livelihoods. The ILO-Climate Change Adaptation led **Demonstration Project** focusing on climate resilient farming communities through innovative risk transfer mechanisms promoted new ways increasing farming communities' socioeconomic resilience to climate change in southern Philippines. Financial safety nets were developed and applied and corn and rice farmers were assisted to diversify their livelihood base.

Climate resilience in Indonesia: Peat swamp forests (tropical moist forests) found on the island of Borneo are unique ecological systems that have grown over thousands of years and are home to many rare species. In the Central Kalimantan region of Borneo, a government initiative aims to rehabilitate and reforest the area once covered by a Mega Rice Project. In line with government efforts, the ILO's Green Livelihood Access for Central Kalimantan's <u>Inclusive Environmental Response to</u> Climate Change (GLACIER) focused on: (i) environmental infrastructure investments as a response to climate change, (ii) capacity building of communities and local authorities on sustainable livelihood creation and (iii) participatory methods for green value chain development.



Image 2: GLACIER project in Indonesia

Migration planning to ensure decent work in the Pacific: Climate change carries profound risks of displacement in small island countries, and in atoll countries is likely to result in whole countries being made uninhabitable. The ILO, in partnership with ESCAP and UNDP, is working on a project to assist the countries of Kiribati, Tuvalu and Nauru to plan for decent migration, including through expanding opportunities for workers to participate in well-managed, rights-based migration schemes. Such migration opportunities also create benefits for destination countries such as Australia and New Zealand that are experiencing labour shortages.

Migration and environmental sustainability in the Sahel: Environmental degradation is one of the causes of migration in West Africa. This initiative aimed, among other objectives, to generate opportunities in potential growth sectors, such as green jobs and to better guide policies to promote employment and productive investment for migrants. As a result, more than 2,000 young people have participated in social and occupational workshops. Hundreds orientation migrants and their families have had access to training and awareness raising courses on investment opportunities, managing family finances, and promoting the use of remittances.

The following tools, guidelines and policy advice resources are available to support climate action:

- Ergonomic Checkpoints in Agriculture
- Social protection assessment based national dialogue. A good practices guide
- Local investments for climate change adaptation: green jobs through green works
- Financing social protection
- Making insurance work for microfinance institutions: a technical guide to developing microinsurance
- Good practices database Labour migration policies and programmes
- Towards an ILO approach to climate change adaptation

3) Facilitating mitigation actions through skills building and upgrading, training, education, and entrepreneurship development is necessary to unleash the job creation potential of a low-carbon economy.

A number of approaches, intervention models and successful practices exist that can be scaled up, replicated or simply learned from.

Skills building: Human capacity gaps and skills shortages are major barriers to advance climate change mitigation in key such sectors energy, buildings, manufacturing and agriculture. As a response many countries are actively working on the identification of new skill needs linked to green sectors, upgrading skills and technical qualifications in existing occupations, and are developing specific skills provision plans to anticipate needs for the future (see ILO's <u>research</u> on skills gaps and needs for green jobs).

Greening TVETs in Central America and the Dominican Republic: The ILO has been providing technical support to the regional network of technical and vocational

education and training (TVET) institutions in Central America and the Dominican Republic, within the framework of the FOIL project. To date learning standards and curricula for eight green occupations have been developed and included into the vocational training portfolio of all countries. In response to a growing market demand, 8,000 workers were provided with technical vocational training for skills in solid waste management, water treatment and the implementation of environmental management systems in businesses in Costa Rica.

Green entrepreneurship for job creation in East Africa: This intervention model under the Youth Entrepreneurship Facility, partnership among the Africa Commission, the Youth **Employment** Network and the ILO in Kenya, Tanzania and Uganda, promoted the development of entrepreneurship in untapped markets for green products, such as solar photovoltaic, locally recycled water irons, eco-tourism and carbon credit trading, targeting young women and men and helping address youth unemployment challenges.

Solar technicians for rural energy access Bangladesh: In Bangladesh, programme on solar home system and entrepreneur skills training supported (1) the institutionalisation of training curricula (assembling, installation and maintenance) in the National Technical and Vocational Qualification Framework; (2) the provision of sustainable employment opportunities by linking trainees with renewable energy service providers (27 additional service providers) for job placements as solar technicians; and (3) the promotion of solar entrepreneurship by providing skills for entrepreneurs and access to finance.

Skills for green construction in Zambia: In Zambia, under the One-UN Zambia Green Jobs Programme, the "Start and Improve Your Green Construction Business" is being rolled out to support emerging and established entrepreneurs engage in the green building construction sector. The 13 modules of the SIYGCB programme are tailor-made for the whole spectrum of entrepreneurs: from start-ups, to emerging and established entrepreneurs. They cover topics such as business management basics, tendering, pricing and costing, complying with legal requirements, marketing, management of resources and business support structures, but always from the perspective of a green construction business, or entrepreneurs wishing to gradually green their products and services. The programme aims to create 5,000 new green jobs by 2017.



Image 3: Joint UN Zambia Green Jobs Programme

The following tools, guidelines and policy advice resources are available to support climate action:

- Meeting skills needs for green jobs: Policy Recommendations
- Greening the economies of Least Developed Countries: The role of skills and training
- Providing clean energy and energy access through cooperatives
- Job creation and MSME development through business linkages in the building sector
- Promoting occupational health and safety in the building construction sector in Zambia

- ► <u>Local investments for climate change</u> <u>adaptation: Green jobs through green works</u>
- Start Your Waste Recycling Business Business Manual
- Start Your Waste Recycling Business Trainers Guide
- ► The Start and Improve Your Green Construction Business Training

4) Tripartism and social dialogue are vital to foster consensus building for climate action.

Social dialogue, including the practice of tripartism and collective bargaining, is instrumental for effective decision-making area of in the climate change. Environmental and sustainable development related policies - when discussed and implemented with the participation and agreement of social partners, the government, and civil society actors - are better informed, easier to implement, and more beneficial for workers, businesses of all sizes, and a larger proportion of the society.



Image 4: Social dialogue in Chile

A widely cited example is the tripartite round tables of social dialogue set up in Spain in 2005. They were established to tackle compliance with the commitments under the Kyoto Protocol to reduce GHG emissions while checking the impacts on competitiveness, employment and social cohesion in the most affected sectors.

The perspectives of the social partners ensure that social outcomes are taken into

account and that social and labour market policies can complement environmental and economic measures. Existing forums such as the Economic, Social and Environmental Councils in many countries, or the new ones such as the Grenelle de l'Environnement in France or the tripartite round tables for the implementation of the Kyoto Protocol in Spain, have been instrumental to reach agreements on large integrated policy packages. An outstanding example of an initiative driven by the social partners is the German programme for energy efficiency in buildings. In South Africa the "green economy accord" has been concluded to formalize the partnership between relevant line ministries and the social partners for the implementation of this component of the national development plan.

Tripartism and social dialogue has been a key dimension of ILO projects around the world aiming at increasing energy, water and material efficiency and therefore enabling low-carbon development happen at the workplace level too. In the case of the Greener Business Asia project, promoting employer-worker cooperation in Thailand and the Philippines resulted in important levels of CO₂ emissions reduction and improvements of working conditions. Likewise, the ILO provided support to the Chilean forestry sector social dialogue process which enabled stakeholders to jointly identify and design concrete solutions for the sustainability of forest plantation territories.

The following tools, guidelines and policy advice resources are available to support climate action:

- The Social Dimensions of Climate Change
- The impact of climate change on employment: transition management through social dialogue
- > Industrial relations for a greener economy

 Social dialogue for sustainable development: A review of national and regional participatory experiences

International labour standards and resolutions relevant to a just transition framework

International labour standards offer a robust framework for addressing the challenges to the world of work associated with the greening of the economy and, more broadly, with the transition towards sustainable development and poverty eradication. Several international labour standards, including those covering freedom of association and the right to collective bargaining, prohibition of forced labour, child labour and non-discrimination, social dialogue, tripartite consultation, minimum wage, labour administration and inspection, employment policy, human resource development, occupational safety and health, as well as social security are important in this regard as mentioned in the Resolution concerning sustainable development, decent work and green jobs - International Labour Conference, June 2013.

The ILO recently adopted <u>Guidelines for a just transition to environmental sustainable economies and societies for all.</u> These Guidelines offer the ILO and its constituents a framework and practical tool to ensure

that national and global efforts to tackle climate change equally advance employment creation goals, social justice and fair transitions for workers, enterprises and communities.

The following are specific labour standards and resolutions of relevance to the greening of the economy and a just transition:

- Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)
- Social Security (Minimum Standards)
 Convention, 1952 (No. 102)
- Human Resources Development Convention, 1975 (No. 142)
- Working Environment (Air Pollution, Noise and Vibration) Convention, 1977 (No. 148)
- Occupational Safety and Health Convention, 1981 (No. 155)
- Chemicals Convention, 1990 (No. 170)
- Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)
- Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189)
- Promotion of Cooperatives
 Recommendation, 2002 (No. 193)
- Social Protection Floors Recommendation, 2012 (No. 202)
- Resolution concerning the promotion of sustainable enterprises – International Labour Conference, June 2007
- Resolution concerning promotion of rural employment for poverty reduction – International Labour Conference, June 2008

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