



## Green jobs policies and approaches for a fair and well managed transition

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*The notion of “green jobs” has become something of an emblem of a more sustainable economy and society, that aims to preserve the environment for both present and future generations and to be more equitable and inclusive of all people and all countries. Green jobs hold the promise that humankind will be able to face up to the following two defining challenges of the twenty-first century:*

- *Averting dangerous and potentially unmanageable climate change and protecting the natural environment which supports life on earth*
- *Providing decent work and thus the prospect of well-being and dignity for all in the face of rapid population growth worldwide and the current exclusion of over a billion people from economic and social development.*

*The above challenges are closely linked and cannot therefore be addressed separately. Green jobs are key to meeting both simultaneously.*

Green Jobs Report (2008)

Annandale and Morrison-Saunders (2008) and UNEP (2008) have considered the following definition.

*“A green job is one which makes minimum negative impacts on the environment relative to the status quo, thereby making enterprises and sectors more sustainable”.*

### Introduction

It is widely acknowledged that unsustainable use of resources, high levels of pollution and the deterioration of natural capital in general pose severe threats to today’s economies and societies across national borders. They threaten the very basis of growth and development and endanger livelihood security for millions of people who are dependent on those resources or potentially affected by climate change. At the same time policy measures aimed at supporting a shift to more sustainable growth and development trajectories have far-reaching implications for employment and labour market dynamics in many countries and economic sectors.

There are four ways in which green economy measures may affect employment. First, they may result in the creation of new jobs, for example in manufacturing pollution-control devices and





environmental consulting services. Second, they may result in the substitution of some types of jobs for other types, for example in renewable energy instead of fossil fuels. Third, they may result in the elimination of some jobs without direct replacement, such as when packaging materials are discouraged or banned and their production discontinued. Lastly, they may have an impact on the reorientation and re-skilling of existing jobs, such as in construction.

The International Labour Conference, the ILO's highest body, adopted the Global Jobs Pact in 2010. The Pact recommended "increasing investment in infrastructure, research and development, public services and 'green' production and services as important tools for creating jobs and stimulating sustained economic activity." The major policy challenge is to reconcile the gains of sustainable development with the claims for short-term answers to unemployment and poverty. The Global Jobs Pact seeks to **stimulate and support social dialogue to discuss and agree on pathways for "just transition"**. This notion marries the economic, social and environmental dimensions of employment strategies towards a "green" economy.

## Challenges

Workers and employers will be affected in different directions – positive and negative – by sustainable development policies. Policies to reduce unsustainable production patterns may contract employment and enterprises in some sectors, while policies to encourage technological change, are likely to expand employment opportunities.

In UNEP's Green Economy Report<sup>1</sup>, a global model was developed which compared a green investment scenario (assuming investment sufficient for achieving the water MDG by 2015) to a business-as-usual scenario. Modelling revealed that overall employment and income is greater under the green investment scenario compared to the business-as-usual scenario. However, the number of people working in water-related employment is lower in the green economy scenario, as a result of the efficiency gains achieved in this sector. In this scenario, labour and other resources are freed for use in other sectors. Further, it is suggested that as water is used more efficiently more is available for industry and other sectors, therefore increasing employment in other areas.

Infrastructure and technological investments are a main means of restarting growth and creating jobs. Moreover, investment decisions taken today are going to determine global use of resources and emissions for tomorrow and a good number of years to come. Investments to stem or mitigate the causes of climate change and those needed for adapting to the impacts can be used for creating employment on a large scale. Examples include infrastructure works for sanitation,

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<sup>1</sup> UNEP (2011) *Towards a Green Economy: Pathways to Sustainable Development and Poverty Alleviation*.





flood control, irrigation schemes to combat droughts, the improvement of water networks and fittings in buildings.

We must consider that not all water investments and technology changes promote sustainable development. For example, changes in technology can do so if the technology is accompanied with **new skills development programmes**. Neither is there a cut-and-dry distinction between green and non-green jobs; there are several shades of green, according to how they contribute to reduce harmful effects to the environment. For example, a job may contribute to the reduction of water loss but not to the sustainability of agricultural development. Or it may be green in many aspects, but be located in a conflict-ridden environment that will not lead to sustainable development of water resources.

The challenge is to show that efforts to **green the workplace** pay off in terms of **higher productivity and greater competitiveness**. In turn, investments and enterprise development for a greener economy induce the demand for new competencies and a **different kind of entrepreneurship skills**. The structural changes wrought by the transition to green technologies or improved use of water resources **modify the skills** needed in labour markets. New “green collar” occupations will emerge and new types of skills and **competences will need to be incorporated into existing occupational profiles**. **Developing new training curricula and launching green entrepreneurship promotion campaigns**, for example among youth, should be grounded on the needs for these new requirements in the labour markets.

The overarching policy challenge is **how best to coordinate employment and skills development policies with environmental and sector policies** for more sustainable development and green economies. **The time-lag** to do so constitutes a supply constraint that in turn, delays the action on sustainability.

Finally, the green economy concept **should very clearly include the social dimension: education, health, social protection, gender equity** and labour as the focus of policies and investments. Alternative adjustment measures should be assessed with the inclusion of the different social benefits accomplished. In terms of investments for the green economy, the needs of the most vulnerable should be considered.

### **Approaches for a fair and well managed transition**

A fair and well-managed transition for workers and entrepreneurs through those rapid changes is required. Getting there requires, in turn, consultation and social dialogue, and active labour





market policies, particularly relating to the needs of the most vulnerable. A critical component is governance at all levels.

#### *Improving governance/institutional arrangements*

The ILO's forthcoming *Manual: Guidance on Formulating Projects and Research Studies Concerning Labour Issues in Greening the Built Environment* suggests that the Greening Agency will need to explore the issue of institution-building in close collaboration with the local authority (or over a sub-region several local authorities) and relevant members organisations of the Greening Agency itself. **Effective institutional arrangements** should be brought into being in parallel with pilot projects that demonstrate the possibilities.

One recent example is the remunicipalisation of water supply in Paris, which will include a **citizen's water control board** that will enable users to evaluate water quality. Money previously used to pay dividends will be reinvested into the water services.

A similar scheme was implemented in Buenos Aires, Argentina, in which public management of water services was restored in 2001. Trade unions and government agreed to provide 10% worker participation in the government utility company. This partnership has led to **better productivity** and water provision.

#### *Enhance Social Dialogue and collaboration*

The importance of concerted efforts and joint actions to address such challenges is well recognised by governments, trade unions and employers organisations, and has been reiterated in several forums, including discussions during the ILO Working Party on the Social Dimension of Globalisation in November 2007. As part of these efforts, the International Labour Organization, the United Nations Environment Programme, the International Trade Union Confederation and the International Organization of Employers came together in the Green Jobs initiative with the goal of promoting environmentally sustainable jobs in a climate-challenged world. The initiative seeks to **enhance dialogue and strengthen collaborations**, build the capacity of ILO constituents, fill knowledge gaps, facilitate a 'just' transition to environmentally sound economies, and support policies to achieve the sustainability of jobs and enterprises.

#### *Create opportunities for productive employment and decent jobs for all*

Social transfers alone cannot support long term development: we also need policies that create opportunities for productive employment and decent work for all. Relevant reports and country experiences show that a transition to a green economy can lead to net gains in employment and



particularly benefit the poor, youth and women. For this paper, we adopt the ILO's definition of a job and for the purposes of the international Standard Classification of Occupations to mean "a set of tasks and duties performed or meant to be performed, by one person, including for an employer or in self employment".

### *Investing in skills*

In both the North and South, the implementation of sustainable sanitation may generate substantial employment. To some extent this will be 'conventional' kinds of work at both design and implementation levels. However, the new approach generally will require a reorientation of attitudes and in some cases skills with knowledge of the health implications of what is being done. Relevant awareness-raising and training programmes will be necessary (see ILO's forthcoming *Manual: Guidance on Formulating Projects and Research Studies Concerning Labour Issues in Greening the Built Environment*).

Investment in skills development is vital to this sustainability. In the 21-country study "Skills for Green Jobs: A global view" (2010), the ILO found that skills shortages hinder the potential to unlock the employment potential of green growth. The report recommends that countries devise strategies based on well-informed policy decisions, social dialogue, and coordination among ministries and between employers and training providers. We must bear in mind that new technology creates new needs in this regard.

### *Improving management practices*

Improving responsible management practices at and around the workplace can greatly contribute to cleaner, greener and safer practices, reducing emissions and preventing health care costs of occupationally related accidents and illness.

### *Social Dialogue for decent jobs*

Green jobs must also provide workers a say in the decisions which will affect their lives and the development of necessary reforms. The ILO's *Declaration on Social Justice for a Fair Globalization (2008)* asserted that "Social dialogue and tripartism [are] the most appropriate methods for . . . translating economic development into social progress, and social progress into economic development; [and] facilitating consensus building on relevant national and international policies that impact on employment and decent work strategies and programmes."

Social dialogue seeks to build consensus and prevent conflict. The ILO promotes social dialogue in water utilities through an action programme that builds the capacity of the workers, employers and government ministries, as well as funding baseline studies on the state of social dialogue in





the utilities and facilitating the development of Action Plans to develop sustainable mechanisms for social dialogue.

A leading example is the Maynilad Water District, which has developed inclusive mechanisms for social dialogue that has enabled workers in the utility to help develop systems to reduce the loss of water, thereby increasing productivity. The ILO has also developed activities to increase the participation of indigenous communities in the design and construction of water supply infrastructure and in the management of water resources. The main impact of this programme has been an increase in hygiene and sanitation education in the communities, and their entrepreneurship to make the service more efficient.

Similarly, the Namibian government has developed a programme to establish conservancies within communal lands. This programme has sought to decentralise natural resource management through devolving user rights over wildlife within the conservancy boundaries to elected committees of local people. It has benefitted as many as 95,000 Namibians, and provided incentives to manage wildlife populations in a sustainable manner.

#### *Participatory approaches and empowerment for managing change*

Organisational change or reforms which are undertaken from the bottom to the top, by empowering workers and employers through consensus-building and participatory approaches, are more likely to change the culture of the organisation, not only the behaviour and the attitudes of its workers.

The Pepoo project in Kenya is a case in mind, which developed a single-use, hygienic toilet bag that can be knotted and buried. Once buried, it breaks down the contents into fertilizer. The program includes distribution and collection services which are expected to create 1000 jobs, which will focus on empowering women. Currently, the product is being sold mostly by women micro-entrepreneurs.

For example, improving water supply has been shown to reduce the burden of the water supply chain on women and children, allowing them to participate in agricultural activities and to attend school. One way to increase water supply was developed by the Working for Water programme in South Africa. This invasive species management programme employs members of the local communities to clear thirsty alien tree and plant species which preclude the free flow of water. At the same time, like the Panama initiative, it increases the participation of marginalised peoples in the water supply chain.





We can define organisational culture as: “the pattern of basic assumptions that a given group has invented, discovered or developed, in learning to cope with its problems of external adaptation and internal integration. These have worked well enough to be considered valid and are therefore taught to new members as the correct way to perceive, think and feel in relation to these problems.”<sup>2</sup>

Legge suggested a strategy to approach organisational cultures: Managing culture can be likened to ‘riding a wave’ – the best a surfer can do is understand the pattern of currents and winds that shape and direct the waves, then use these to stay afloat and steer the desired path. Clearly, this is not the same as changing the basic rhythms of the ocean.<sup>3</sup> Essentially, this means that lasting organisational change can happen if the organisation identifies the forces that move its employees to act; if employees are involved and consulted in identifying and resolving the problems of the organisations, the chances of instituting successful reforms increase.

### *Social protection*

Green jobs must also offer workers adequate income, social protection and respect for their rights. Stable incomes and decent employment support sustainable development. The current economic crisis has shown the need for sound social protection policies to sustain livelihoods and lessen long-term economic and social scarring which result from market disruptions. These protections will contribute to sustainable water utilities through lower worker turnover, increased productivity, reduced corruption, and an increase in worker participation in environmental protection efforts.

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<sup>2</sup> Schein, E. H. *Organizational Culture and Leadership* (Jossey-Bass, 1985), p. 18

<sup>3</sup> Legge, K. *Human Resource Management: Rhetoric and Realities* (Macmillan, London, 1995).

