A just transition to sustainability: World employment and social Outlook 2018

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For the sustainability of the world of work and for social justice, environmental sustainability is urgent. This is because the world of work is intrinsically related to the natural environment, so natural degradation necessarily harms the world of work. Four channels highlight this tight relationship.

First, many jobs depend on natural resources and the Earth’s capacity to absorb waste. This is the case of jobs in the mining and off-shore fisheries sectors, for example. Second, and perhaps in a more fundamental way, many jobs depend on services provided by the environment, ecosystem services. These are natural processes like forests’ water purification, forests’ climate regulation, biodiversity, the renewal of fish stocks, the regeneration of soils, insects’ pollination and many other natural processes that produce economic value. These ecosystem services sustain entire industries which, as a whole, employ 1.2 billion people. Environmental degradation threatens nature’s capacity to provide these services, threatening the industries and the jobs therein. A third way in which the environment is related to the world of work is by the fact that extreme weather and other environmental events (e.g. floods, droughts, storms, industrial accidents, etc.) negatively affect economic activity and the jobs that sustain it as entire value chains are disrupted as a result. Finally, the fourth channel comes into view when we consider that environmental degradation acts as an amplifier of social inequalities. Environmental degradation affects lower income countries, Small Island Developing States, people in poverty, rural households, women, migrants and other population groups the most.

Environmental sustainability becomes urgent from the point of view of the world of work when the tight link between the environment and the world of work comes into view. The question that follows, then, is about the impact of a transition to environmental sustainability on the world of work. Environmental sustainability entails a deep change in country’s industrial mix, affecting, in particular the agriculture, forestry, fisheries, water, energy, manufacturing, waste management, building and construction and transportation sectors. Given the links these sectors have with other sectors in the economy, a transition to sustainability is likely to bring about changes in other sectors and spill over to the economy as a whole.

The ILO, in its World Employment and Social Outlook 2018: Greening with jobs estimated what a transition to energy sustainability would mean in terms of the number of jobs in the world economy. Advancing towards achieving the Paris Agreement’s 2-degree goal through increasing energy efficiency and increasing the share of renewables in the energy mix could bring about a 0.3 per cent net job creation by 2030 when compared to the business-as-usual scenario. This is the equivalent to 18 million net jobs. Behind this number, however, are countries and regions that grow in employment and countries and regions that lose employment,
and industries that grow and decline. Though the overall effect is positive, driven by employment creation in the construction, manufacturing of electrical parts, copper mining and electricity generation from renewables, there are certain sectors, mostly those related to fossil fuels, which will experience job losses: petroleum refinery, petroleum extraction as well as coal mining and electricity generation from coal.

Though the transition to environmental sustainability is desirable, because it will bring about negative effects to certain workers, households and communities, it needs to be designed in a way that is also just. The ILO, in 2015, published the *Guidelines for a just transition to environmentally sustainable economies and societies for all*. It is a policy framework developed as the result of tripartite dialogue between employers, workers and governments.

Social protection is crucial to protect workers and communities who will lose out of the transition so that the transition is also just. Several examples show how social protection measures are a precondition to advance environmental sustainability by offering protection to workers and communities. The closure of coal mines and moratoriums on forestry exploitations have come with compensation packages to help workers find income security and jobs in other industries. Plans to phase out coal mines in the Philippines were put on hold due to the lack of these packages. The elimination of fossil fuel subsidies in Egypt were carried out by paying attention to households negatively affected by rising fuel prices.

The transition will create demand for jobs in new and emerging industries. Workers with the right skills will be needed to meet this demand; without the necessary skills there will be no transition. Because of the multitude of actors involved in matching skills needs with skills development, this is no easy task. Indeed, only few countries even take the first step of initiating a dialogue that assesses skills and identifies the skills needed in a transition. The ILO carried out 27 country studies and explored how each country is assessing and developing these skills.

Social dialogue is yet another important policy measure to help advance a just transition. Environmental sustainability is an area where workers and employers can find consensus, as environmental sustainability makes business sense and ensures healthy and stable communities around the working place. Collective agreements have already begun to show this convergence of interests, with many international framework agreements and national agreements including provisions that relate to the greening of the workplace, to enhancing the sustainability of the firm and to protecting workers in the wake of a transition.

In summary, for the world of work environmental sustainability is urgent. It will bring net job creation, with reallocation and destruction in specific sectors. For the transition to be just, environmental measures need to be complemented with labour and social policies, as outlined in the ILO’s *Guidelines for a just transition to environmentally sustainable economies and societies for all*. 