This paper presents employers’ views on ‘greening’ and ‘green jobs’. Such jobs should not be considered in isolation from jobs as a whole and the other dimensions of sustainable economies, development and enterprises.
BACKGROUND

The IOE promotes and defends the interests of employers in international fora, and works to ensure that international labour and social policy promotes the viability of enterprises and creates an environment favourable to enterprise development and job creation. Its work on Green Jobs focuses on the impact of climate change and environmental policies on employment and social conditions.

The current ‘green debate’ encompasses many terms and issues surrounding them, such as climate change, low carbon economies, energy efficiency, environmental, ecofriendly, preserving biodiversity, resource constrained, green economy and green new deal. Many of these terms are undefined, indefinable, misunderstood and misused. However just as jobs have a direct relationship to economies, there is an attempt to differentiate green economies and green jobs. This is important as considerable sums, within economic stimulus packages aimed at addressing the current crisis, have been earmarked for green growth and green jobs. Policy decisions, measures and funding to address green issues are now so extensive that they have a direct effect on business decision making and will affect enterprises of all sizes and sectors.

- Firstly on those businesses that either contract, adapt or emerge as a consequence of climate change and environmental practicalities and the policies and measures to tackle them.
- Secondly on those businesses in the supply chain of the first level industries where there will be changes in business costs or consumer sentiment.

The IOE work on green jobs is built around partnerships\(^1\) with United Nations Environment Programme (UNEP), the International Labour Organization (ILO), the International Trade Union Confederation (ITUC) and the Green jobs initiative which is part of the also part of the United Nations system-wide strategy\(^2,\) \(^3\).

The international organisations have important and continuing roles to help ensure that policy makers have the best information at hand to influence policy and practical developments. Good quality, verified and balanced analysis and research is needed to monitor and report on employment impacts and influence policies for sustainable job creation within economies.

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CHALLENGES IN THE GREEN JOBS DEBATE

1. Defining, measuring and understanding green jobs

What constitutes or defines a “green job” is unclear. It has been used to cover employment in businesses engaged in environmental protection or making environmental products, in the area of environment or in the environment industry. Unsuccessful attempts have been made to define exactly what constitutes a “green job”. However, the label is part of the political vocabulary. Those that engage in the debate, and the IOE will continue do so, must clarify with partners, negotiators, audiences and society in general, the context and understanding that they have of the issues surrounding the use of the term green job at the time. It is likely that the boundaries of the term green jobs will evolve and indeed in the ILO context they are being linked with decent work - another term that is equally as challenging to define.

To be meaningful the comparison of green jobs, greener jobs and brown jobs requires a methodology for measurement. Attempts have been made to do so but they are often partial. Whereas a complete lifecycle analysis approach may be more thorough, it needs thoughtful pragmatic application to be manageable and yield practical and meaningful results⁴, ⁵, ⁶.

2. Green jobs and businesses depend on all jobs and businesses

Considering green jobs in isolation is not that useful in practice as it does not recognize the interrelatedness of jobs and businesses throughout the economy. ILO work in this area, refers to jobs with varying categories of green: “direct jobs in sectors producing greener goods and services, indirect jobs in their supply chain and induced jobs, when saving on energy and raw material are spent on more labour-intensive goods and services” (ILO Green jobs Programme). The International Labour Organization (ILO) and the United Nations Environment Programme (UNEP) define “green jobs” in a joint study “as work in agriculture, industry, services and administration that contributes to preserving or restoring the quality of the environment”. Even the broad approach considering the “employment and social dimension of climate change” does not capture the many other facets of the wider environmental debate.

Many industries have been identified as belonging to an environmental industry, products, services and technologies sector e.g. water supply, waste treatment etc. or addressing solutions for climate change e.g. low carbon

⁴ http://ec.europa.eu/environment/ipp/lca.htm
⁵ http://jp1.estis.net/builder/includes/page.asp?site=lcinit&page_id=15CFD910-956F-457D-BD0D-3EF35A893D60
⁶ http://www.unep.org/publications/search/pub_details_s.asp?ID=4102
energy, etc. They are such important parts of economies that they have considerable influence on employment policies. Jobs that are considered green are clearly linked to jobs in other sectors. Building, maintaining and operating mass transport systems, hybrid cars and wind turbines all depend on traditional industries such as steel, chemicals, mining, manufacturing and transportation. A roofer does not turn from having a brown to a green job simply because solar panels are being fitted instead of, or as well as, roof panels, though to make solar panels operational may require additional electrical and plumbing skills.

Business will be the key to providing solutions to climate change and environmental concerns and new industries developed solely as a response to these challenges will owe allegiance to other technologies and businesses. New jobs – green or otherwise – will mainly be created by the market, to satisfy market needs and utilising innovative developments.

3. **Sustainable development needs environment, economic and social development.**

In considering the growth of businesses and jobs as a response to climate change, it is not possible to consider environmental issues in isolation from economic and social issues. The 3 dimensions of development have to be optimised to deliver sustainability. The shift of crop cultivation for biofuels, thus exacerbating food scarcity in some areas, makes it clear that the environmental responses cannot be seen in isolation from economic and social consequences. Investment in wind generated energy has economic and social consequences for that industry and the one from which funds could have been diverted. The core concept of green jobs must respect that sustainability requires an overarching approach where environmental protection, employment growth and economic development go hand in hand. A blinkered focus on environment and green jobs could distract attention from other major global challenges.

4. **Stimulus packages must have sustainable employment impacts.**

In response to the recent crisis, many stimulus packages contain well-intentioned measures focused on improving environmental performance and generating employment to do so. This has popularised the green jobs debate. However, the long-term sustainability of jobs needs to be considered. The green jobs debate should not be about short-term measures which rely on targeted public support. Such measures may not necessarily create lasting employment and may introduce sector distortions that should not be seen as a substitute for long term job creation through the market. Neither should the green jobs debate be about policy-makers using market regulation to benefit certain sectors to the detriment of others.
Further work on the effectiveness of the economic stimulus packages should distinguish between employment effects in the short term triggered by support measures and sustainable job creation through the market over the longer term. It should involve pre and post-investment cost benefit analysis to consider the net employment effects across all sectors of the economy.

5. Improving environmental performance of all sectors

The well understood managements of risks to the environment occurs mainly at the level of product marketing and use and production processes. These are not normally highlighted in the green jobs debate which is more focused on the identification of strategic business opportunities and employment challenges from the wider environment and climate change agendas. However all economic sectors have the potential to improve their environmental performance by controlling emissions to air, land and water, respecting biodiversity and natural resource constraints. All, not just a select few, should be encouraged to become greener and develop approaches that focus on how to make businesses and jobs more environmentally sustainable. This will require the intelligent use of current technologies and the advancement of innovative solutions, with employees having or being trained in the skills to develop and apply them.

6. Encourage innovation-led green growth and job creation

Innovation will be required across a wide range of technologies to address global challenges advance along a more sustainable pathway, deliver improved productivity and competitiveness and aid job creation. This requires major progress in the development and deployment of key technologies, better use of existing knowledge and technologies across sectors and geographical boundaries, and increased international and public-private co-operation. It will also require the institutions and framework to foster such development.

A country’s innovation capacity increasingly depends on taking advantage of human capital. Therefore, innovation, green growth and job creation across all sectors go hand in hand. Governments should encourage innovation broadly, avoid choosing winners and losers, and refrain from using regulations that benefit certain sectors to the detriment of others. Small and medium-sized enterprises (SMEs) need equitable treatment to be able to access the finance needed for making the necessary investment.
7. **Skills, Training and Education**

The labour markets covered by the concept of *green jobs* is varied and ranges from activities in the water and waste sector, work in agriculture and forestry, employment in car-sharing organisations, development of new fuel and energy systems or consultancies in financial industries dealing with carbon trading and green investments. The jobs involve a wide range of skills, experience and qualifications.

In responding to the climate change and environmental practicalities and policies, innovation and the development of new technologies will create new opportunities for investment and growth, both in traditional and new business sectors. Jobs in the area of research and development of low-carbon technologies, but also in traditional jobs, which in future are likely to be geared increasingly towards green growth, will require new skills. Skills shortages will have major implications for the greening of the economy. The greening of jobs relies on specialist knowledge and expertise, especially in the fields of science, technology, engineering and mathematics (STEM). These areas are vital in the process of making the transition to more environmentally sustainable jobs, and will help to secure availability of skilled workers in key economic sectors.

The employment market is changing quickly, therefore education systems at all levels should respect this. There should be a particular emphasis on vocational and educational training (VET) and employability skills to respond to rapidly changing labour market needs. Close cooperation between education institutions, governments and the business community will be essential in order to ensure that education learning outcomes equip individuals with the skills necessary to be competitive in a greening job market.

8. **Green jobs and working conditions**

In the international context, the ILO has stated that “green jobs” are often “dirty, dangerous and difficult”. Careful consideration should be given before such generalities are made, as it is clear that the jobs involved in environmental industries require a wide range of conditions, management systems and expertise. Against that background, it is not possible to generalise about working conditions for those in green jobs either now or in the future. The debate about *green jobs* and *decent work* confuses the issue even further as the objective must be for all jobs to aspire to be decent work. The IOE supports *green jobs* and *decent work* as they are defined in International Standards and Declarations and as they are ratified and adopted by member states. We have concerns about the interpretation of these
fundamental documents by slogans that attempt to redefine and renegotiate international instruments.

Through their business activity, companies create employment and prosperity as well as providing the population with services and products. Furthermore, companies make a large contribution to securing the social future of the societies in which they are active. Important areas of action include training workers, promoting the work-life balance, ensuring equality of opportunity, combating discrimination and corruption as well as minimising health and safety risks at work.
IOE RECOMMENDATIONS FOR FUTURE WORK

9. Analysis of the employment and social consequences informs business

The IOE considers that whatever the rhetoric, analysis of the employment and social consequences of environment and climate change actions and policy measures is essential to inform all businesses of future potential threats and opportunities. This ‘next level’ analysis is complex because climate change policies and environmental sensitivities will impact different business and sectors in different ways and in different time frames. However, the analysis of the employment impacts should not be done in isolation from that of economic and social impacts.

10. Create a better understanding of overall impacts to inform future policy developments

The biggest impact on business in the immediate future comes from the amount of money that has been earmarked for green stimulus packages, largely as a response to the economic crisis. It is essential that adequate pre and post project investment cost benefit analysis is performed to understand the intended and the likely unintended consequences, as well as the actual outcomes from a course of action. This can better inform the future debates about lost opportunity costs from investments.

11. Coordinated efforts to analyse impacts

The IOE believes that sector analyses of the employment impacts of climate change and other environmental practicalities and policies, are helpful to make the process manageable. However, it should recognise the interrelatedness of businesses and industries and the, sometimes, artificial definition of sectors. Efforts at the international level should be coordinated to develop a clearer picture of the employment implications of environmental practicalities and policies aimed at achieving green growth. Macro economic analysis should be supported by transitional as well as local and sectoral issues that can create challenges for labour market flexibility and mobility.

“Frictionless” re-allocation of labour is not a reality. Displaced labour cannot readily move from one sector to another, or gain the necessary skills in the required time-frame to find employment in new jobs at equivalent wages.
12. Informing businesses of the opportunities and employment implications

In this fast changing global scenario where economies are being reshaped, businesses are being repositioned, green investments are growing and consumers are calling for a cleaner world economy, it is essential that businesses understand the implications and opportunities, not just in applying currently available ‘green measures’ but in accessing and utilising the available funds for future growth and investment and also, in developing and managing their workforce. Businesses will need to understand what action they can take now, what opportunities there will be for a future in a world responding to environmental realities and policy responses. They will have to consider

- What skills they will need for their future business architecture,
- Where they will get those skills,
- Will they have to train people themselves in the required skills
- How they will manage their current workforce that do not have the necessary skills for their future business.

Analysis and information should be directed at helping businesses, particularly SMEs, understand what is at stake and what they can do.