

What is the link between climate change and the ongoing global economic crisis?

Making our societies more resilient to the impacts of climate change is to a very large extent about ensuring that workplaces and labour markets are not disrupted. Experience of environmental as well as financial crises shows us that if people on the margins of poverty lose their livelihoods it can take years to climb back out of deprivation. There is growing international awareness of the need to arrest climate change, in order to put the world economy on a more sustainable track. Already, as part of packages to overcome the ongoing global economic and jobs crisis, countries have launched infrastructure investments designed to promote transitions to a greener economy. Such efforts would at the same time serve social objectives to the extent that spending on green projects promotes recovery and job creation. They would also help reduce the length of the labour market recession.

The employment challenge associated with the goal of cutting CO2 emissions is significant?

According to the ILO's latest World of Work report ([Note 1](#)), employment in high carbon intensive sectors accounts for about 38 per cent of jobs across the world. If we want to arrest climate change, this will inevitably create an employment challenge as workers will have to move to different jobs and sectors. However, the move to a low-carbon economy also presents huge opportunities for the creation of new jobs aimed at mitigating the effects of climate change through energy and industrialization policies. It would open new markets, stimulate eco-innovation and investment in more efficient production techniques. Moreover, "green policies" such as carbon taxes or cap-and-trade schemes would generate government revenues, which could be used to reduce labour taxes, in turn stimulating labour demand.

Can you give us a concrete example for the employment impact of green policies?

The World of Work report shows that if a price was imposed on CO2 emissions, as will be discussed at the climate conference in Copenhagen, and if the resulting revenues were used to cut labour taxes, then employment would rise by 0.5 per cent by 2014. This is equivalent to over 14.3 million net new jobs for the world economy as a whole. And even larger gains would arise due to technological change induced by green policies.

How can the ILO help to make the transition to a green economy socially and environmentally sustainable?

Jobs and enterprises will be lost in some sectors, and new jobs and business opportunities will emerge in other sectors. Likewise, new skills need to be developed in conjunction with the transition to a low-carbon economy. Furthermore, developing countries require support to address a challenge associated with an environment problem of which they are the innocent victims. Green policies are likely to have adverse effects on inequality, as the rise in the price of energy and of energy-intensive consumption goods may impact disproportionately on low-income households. Revenue from a price on carbon can and

should be used to compensate poor households. This is why the Global Jobs Pact, implemented hand-in-hand with green policies, is so crucial. Adopted by the 183 member States of the ILO last June, the Pact supports the shift to a low-carbon, environmentally-friendly economy as a way to accelerate and sustain a jobs recovery.

What is the role of the ILO in UN-wide efforts to arrest climate change?

Given its mandate, constituency and expertise, the ILO could play a major role at international and national levels in a system-wide approach, especially through its Decent Work Country Programmes. In close cooperation with other UN agencies, the ILO can contribute among others to facilitating economic and social transition for key sectors like energy generation, construction, transport and other relevant sectors; promoting green jobs which contribute to growth while reducing emissions; and greening the workplace by mobilizing employers and workers to improve energy efficiency of existing facilities and equipment, in particular in small enterprises. The ILO's Green Jobs initiative aims to provide the vital decent work dimension to the United Nations' drive for a comprehensive strategy on climate change. The aim is to show how well designed climate and labour market policies can contribute to realizing a double dividend, in terms of both environmental and social goals.

Note 1 World of Work Report 2009, The Global Jobs Crisis and Beyond, ch. 4: Green policies and jobs: a double dividend? International Labour Office, Geneva 2009