



**Address by Juan Somavia
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*Panel discussion: Mobilizing finance to meet the climate challenge –
The role of national policies in enabling private sector investments*

Dear Friends,

Let me open my remarks by thanking Achim Steiner for this invitation and the extensive experience he brings into his leadership of UNEP. This kind of dialogue between the environmental, the economic and the social dimension of development is essential if we are to meet the climate challenge. After all, this is much more than an environmental issue. It's about the need for a profound transformation in the way we produce and consume—and the commitment to working together to enable the economy and society to effectively make that transition.

One of the best ways to see this challenge is through transformations brought on by the “grow at any cost” model of globalization. Economic growth has been steadily increasing in quantity sometimes significantly, but not in quality. Quality in the sense that for too many growth did not translate into balanced and equitable development with adequate good quality jobs and incomes. Globalization has fuelled growth with unequal social outcomes including in developed countries. The logic of “grow now, redistribute the fruits later” or worse “take a job, any job and worry about quality later” has not worked.

A very similar course can be identified with the environmental costs of present growth patterns. The world has been growing at the expense of environmental quality and the notion of “grow now, clean up later” has been widespread and has not worked either.

I believe there is a growing awareness that low-quality growth is becoming unsustainable—both socially and environmentally; and ultimately economically, when the social, environmental and political costs eventually come together. The model is now in trouble, the backlash is evident.

We are therefore in a period of transitions searching for the policies and the leadership that can take us into a sustainable development path where social and environmental dimensions of globalization are an integral part of economic policy-making.

Two transitions will be central to reaching that path.

One, a transition to a better balance between the role of the society, the state and the market. We need a dynamic, productive, innovative balance between the democratic voice of society, the regulatory function of the state and the productive function of the market.

Two, a transition to a progressively clean model of investment and growth that has a double dividend; protecting the environment on the one hand and improving social well-being and creating more and better opportunities to earn a living in decent jobs, on the other.

History teaches us that societies, governments and business will rise to the challenge provided that the action is seen as necessary, right and fair with the proper incentives in place. The Bali roadmap and the political support for the Decent Work Agenda show that the world agrees that action is necessary now. Action that will also be seen as right and fair can perhaps best be described as a global “sustainable development consensus” between countries and within societies.

We in the ILO are in the business of just transitions through dialogue. How do you facilitate it? How do you manage change? How do you construct win-win solutions? That’s been our essence since our founding from the ashes of the First World War.

On the issues we are discussing today we have set in motion a “Green Jobs Initiative”, together with UNEP, the International Trade Union Confederation and others. It is our contribution to the development of a UN system-wide strategy on climate change. The objective is to promote and identify the many technological innovations, investment opportunities, enterprise and quality job creation potential of a sustainable development path. At the same time we want to look at the adaptation and social protection needs of enterprises and workers affected by the production and consumption shifts involved.

Let me point to three areas of common focus.

First, generating sustainable enterprises with decent jobs. The combination of green technology and decent work constitutes what companies are increasingly realizing as part of their competitive edge. I would call it the social competitiveness of companies.

We have a framework for the promotion of sustainable enterprises that has been developed in tripartite agreement and endorsed at last year’s International Labour Conference. This framework has been enthusiastically supported not only by governments but also by the International Organisation of Employers (IOE) and the International Trade Union Confederation (ITUC) and thus represents a comprehensive global consensus.

It provides detailed guidance on what constitutes a conducive environment for sustainable enterprises, which combines the legitimate quest for profit with respect for human dignity, environmental sustainability and decent work. It is built upon the principle that sustainable enterprises need sustainable societies and that business tends to thrive where societies thrive and vice versa.

The evidence for the potential of green jobs is clear and the list is growing by the day:

- Germany has already created hundreds of thousands of green jobs in the renewable energy industry and in energy efficiency with many more on the way.
- US workers in the environmental industry outnumber those in the pharmaceutical industry ten to one.
- China has 1,000 firms making solar thermal equipment, providing employment to some 600,000 workers.

- In Bangladesh over 100,000 photovoltaic panels have been installed providing light to homes; thousands of women are employed directly and many more have started new businesses through the Grameen movement.
- The Indian city of Delhi is introducing new eco-friendly compressed natural gas buses, which will create an additional 18,000 new jobs.

Example after example for enterprise creation and small enterprise development. It's important to remember that so many of these green jobs are home-grown, rooted in the communities where they are created. They cannot be outsourced or shipped away.

We also have to acknowledge that good green jobs do not come naturally. They are not decent by definition. We have to pay attention to the quality of those jobs. Throughout the world, for example, millions of workers are involved in recycling discarded computers and mobile phones. But far too often the first things to go in the recycle bin are safety and health rules.

Second, addressing the social protection challenge through policies promoting protected mobility in a time of rapid change.

Whatever pro-investment job creation policies are in place, displacements and downsides are inevitable. We need to think from the beginning about the impact on people—and mobilize policies that ensure a just transition. This is no different than the impact of trade liberalization or technological change. The transition must be as painless as possible for people. That's the lesson we learnt from structural adjustment policies and promotion of trade without sufficient attention to negative impacts on people and families. So, how do we ease this change?

We need policies that assure workers that a green environment for society does not mean an unemployment slip for them. Where there are downsides and jobs lost—let's invest to make sure there is training and new opportunity. Let's put social security schemes and labour market policies in place to soften the blow for both entrepreneurs and workers.

We are seeing worker shortages of solar-panel installers in California, the renewables industry in Germany and elsewhere. This is also an opportunity for us to ramp up investment in green training centres in the developing world.

Third, finding the most viable, effective and fair-policy solutions in each specific context through social dialogue nationally and internationally.

We need social dialogue among those most affected by these transitions—workers, employers and governments—to work towards fair policies that are efficient and balanced in their costs and benefits because that is the way to make them sustainable. Spain is pointing the way through tripartite roundtables for Kyoto implementation. The Government of Brazil consults trade unions about projects under the Clean Development Mechanism.

And this is why we need more of this dialogue and why the ILO has a partnership with UNEP, ITUC and others to promote green jobs. The ministries of labour, employers' and workers' representatives strongly supported this effort last November, when Achim Steiner, Michel Jarraud, WMO Secretary-General and Supachai Panitchpakdi, UNCTAD Secretary-General, addressed them at the ILO Governing Body.

A new global consensus on sustainable development is possible—if the Bali roadmap takes an integrated view that effectively factors in the diversified development needs of different countries and the decent work needs of families. Then, I am sure it will have the full support of citizens worldwide. Let's make that transition possible.