

ILO Research Conference: Green Jobs for Asia and the Pacific, IOE Presentation Overview.

Session 1, Government Policies to Address Environment Concerns and Promote Green Jobs; the Business Perspective

1 General Statement;

Business accepts, on the basis of the mounting scientific evidence that climate change is happening and human activity is one of the key drivers, that patterns of consumption and production pursued in developed countries are considered unsustainable and pose a serious threat.

It is expected that all business will have to make adjustments to the way products or services reach the market. It is firmly held that policy must assume all workplaces are affected by climate change, and that all workers have green jobs. The objective is an enterprise and workplace that is climate change aware.

Climate change is an issue that crosses societal boundaries. There is a shared problem and a shared responsibility. Our challenge is to ensure the burden of responsibility is distributed equitably, and support and assistance is provided where needed. This should be available to both workers and business.

The promotion of green jobs by the ILO has successfully attracted attention to the workplace effect of climate change. However, green jobs should not be exclusive, it must be an inclusive concept and policy that is generated to manage climate change must also be inclusive of all workplaces. Hence, we prescribe that all workers have jobs!

2. The Business Cycle

The business entity is essentially the aggregate of invested capital, management and labour, all of which must receive a reasonable and fair return on their investment in that business.

The business also has obligations to Governments through taxes, corporate regulation, environmental agencies and the like. It has obligations to suppliers, bankers and society.

Climate change is a major issue for business. It impacts on all commercial and consumer behaviour. The sustainability of enterprises, their capacity to employ and honour their social obligation is dependant on the decisions they make about how the challenge should be met, while continuing to meet their obligations and remain a viable provider of products or services for which consumers will pay the required price.

3. The Business Plan for Climate Change

Government Policy; The drivers for corporate decisions to adapt to a low emissions business are social responsibility, market pressures and government policy. In practice, government policy will be the major influence over the nature of the behavioural change.

The Kyoto Protocol is the primary benchmark for emissions targets that are adopted by governments. Policy is developed around the measures judged by governments to be the appropriate means of achieving those emissions targets.

Intervention or Market Mechanisms; Options open to policy makers are many, but generally can be categorised as interventionist or market based, for instance carbon tax or carbon trading. There is a very strong argument that the optimum model is a mix of interventionist and market based mechanisms.

The sectors most directly affected by climate change are energy, transport, construction, agriculture and tourism. All will be affected in different ways, all will require sector specific responses. Statements about policy mechanisms, investment and labour issues need to be tailored to the sector, and the situation, otherwise much opportunity and money will be forfeited.

Economic or Environmental Issue? Climate change is a priority issue for most governments. Responsibility usually resides in the environment portfolio. Climate change is now accepted as an issue affecting economic activity. Government policy to achieve emissions targets will require strategy based

on technology and economic solutions. Accordingly climate change is no longer an issue for the environmental portfolio alone, it is a issue for the economists. Climate Change policy and practice must be based around sustainable long term economic growth, and must acknowledge the long term investment decisions it will require of business.

4. The Business and Labour Issues

Labour/ Management Relations, Agreements and Law; The best managed businesses are often obvious for the respect between management and labour. Mostly, all are employees of the enterprise, differentiated only by their different roles in the business. Good dialogue can deliver the most cost effective outcome to particular problem whether that be a supply or production issue, or about the human resources and labour relations. The optimum structure will be dependent on the business, the workplace, the issue and sometimes the people involved. There is no one model.

Labour agreements, their nature and content will depend on many factors but mostly it will reflect the stage of development of the economy. It will also depend on the nature of the business and often its size.

Labour law will prescribe the framework within which most labour agreements are decided.

Protection of Labour Entitlements; The magnitude of the change required to address the demands of emissions targets will impose stresses on all structures in the enterprise. However, what are the new issues that arise between labour and management that are not already built in to the labour/management agreement to respond to the constantly changing marketplace, technology, and skill requirements? Is there anything? Probably the major point of difference is the whole of enterprise and whole of industry dimension to the issue. And certainly there is work for all participants in the labour/management relationship management structure to address, but if all of those resources have been effective in their work, the pieces should be in place, ready to be mobilised.

Situation 1: Labour Agreements formalised.

For instance, a usual labour/management process in a mature medium to large enterprise could be,

- information to workers groups
- meeting with worker representatives
- interviews for worker representatives with superannuation fund reps
- meetings with HR section to review individual career plans
- meetings with training institutions to plan skill and training programs to upskill and reskill interested and suitable workers
- career guidance counselling for redundant workers, if not in the existing industrial agreements
- etc

For management, its work also includes compliance, funding required investments, future skills planning, sources of suitable labour etc.

Situation 2: Labour agreements not formalised

Developing economies, informal economies, countries with high unemployment often result in less structured and unsatisfactorily structured employment arrangements. Where a business is in transition, is restructured, relocated or even shut down, what mechanisms should be activated to ensure the workers receive entitlements consistent with labour law and global conventions.

The domestic labour law, and ILO Conventions establish the benchmark for benefits to be afforded the worker where there is no agreements or higher measures in place. The challenge is how to ensure the worker is sufficiently informed about his entitlements and knows how to act in the instance that he feels he has not been rewarded in accordance with those entitlements.

A number of ILO Conventions are relevant and should be observed by the employer, and enforced by the government. The list of some of the relevant Conventions is at Attachment 1. Convention 150, the Labour Administration Convention requires governments to establish and maintain systems of labour administration, and to check, review and take action in the instances of abuse or defects.

The labour law, and the ILO Conventions are powerful instruments backed by governments and the ILO that should be harnessed to protect those less able to protect themselves.

The role of governments; Climate change is a broader social problem that has consequences across all society, and where responsibility to address must also be shared. Capacity to accept that responsibility varies and governments as the representative of all in their society must act to ensure the burden of responsibility is not disproportionately distributed.

In the case of workers not protected by labour agreements, or means to access entitlements must be able to call on their government to act on their behalf, or to assist by direct means.

Business must also be able to access the resources of government to assist where it does not have the capacity, whether that be finance, technology or skills to make the transition alone.

Climate change is not an issue that governments, workers or business should be required to address alone.

5. Technology

In many businesses the emissions targets cannot be met with current technology. Investment in research and development, purchase of new capital equipment, sourcing new or different component suppliers introduces change across all aspects of the business. Issues of finance, pricing and market behaviour are fundamental to the survival of the business. The labour and human resource issues must also be managed in a way that addresses the business requirements for suitable labour and good labour relations, and with the sensitivity that reflects the appropriate concern and interest in the wellbeing of the people directly employed and who are dependent on the enterprise for their livelihood.

New technology provides new opportunities. Management needs to explore how these new opportunities can be taken up by existing workers, minimising the disruption and facilitating a smooth transition to the new low emissions operation.

6. Summary

- business must be viable to survive and employ
- business must meet its legal and statutory requirements
- business must be able to manage
- business must honour its obligations to its workforce and society
- all of these are consistent and prioritised in statute through companies code, tax law and international conventions. We do not have the right to subvert or override

