

European Conference for a Just Transition

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Your Excellencies, ladies and gentlemen,

On behalf of the International Labour Office, I am pleased and honoured to address the European Conference for a Just Transition, convened by the Belgian Presidency of the EU Council.

The impact of climate and environmental change is undermining prospects for growth, poverty reduction, job creation and social justice.

Uncontrolled global warming, and the related heat stress, will lead to the loss of 2 per cent of working time globally by 2030. That's the equivalent of 80 million full time jobs.

The degradation of ecosystems will put at risk over 1.2 billion jobs that depend on a sustainable environment.

Financial market losses and instability, due to fossil fuel-stranded assets, can also constrain credit flows and reinforce a downward cycle.

For example, climate stress tests conducted by the European Central Bank found that climate-related portfolios are 30 per cent more likely to default.

The devastating effects of climate change, loss of biodiversity and pollution call for urgent and ambitious action by all.

However, tackling the global environmental crisis is not just about numbers and targets.

This ambition is fundamentally about human capacity.

It is about workers with the right skills to transform our food, energy and transport systems.

It is about enterprises with the capacity to innovate, invest, and develop new business models that give us environmentally sustainable goods and services.

And it is about communities who transform and diversify their economies.

This is why the world of work is a key actor and driver of change towards sustainability.

Governments, employers' and workers' organizations, working together, are powerful agents of change who can bring the solutions needed in Europe and across the world.

Your Excellencies, ladies and gentlemen,

Despite overwhelming risks and challenges, there can be a positive narrative.

Tackling the global environmental crisis is not a jobs killer.

Rather, tens of millions of new, green, jobs can be created if we adopt the right policies and measures.

For instance, implementation of the Paris Agreement could generate 24 million jobs by 2030, globally, with over 2 million additional jobs in Europe.

The ILO estimates that a shift to circular economies could create 78 million jobs.

The ILO, UN Environment Programme and the International Union for Conservation of Nature have estimated that 75 million people work in nature-based solutions.

An additional 20 million jobs could be generated worldwide if investments in nature-based solutions were tripled by 2030.

However, we also know that, without the right, well-coordinated policies, millions of jobs could be displaced.

Therefore, one should not underestimate the scale and difficulty of the structural transformations required, particularly in energy systems.

Policy makers and enterprises must manage a transition that implies geographical and temporal disconnections in job creation and job destruction.

Both the creation and loss of jobs are unevenly distributed across countries and regions.

Moreover, new employment opportunities are not always created for the same workers and in the same locations where jobs are lost, and not at the same time.

Your Excellencies, ladies and gentlemen,

This is why a transition that is also just is imperative.

The prospective gains from addressing the environmental crisis are not automatic unless they are based on a just transition.

The latest assessment report by the UN Intergovernmental Panel on Climate Change released on 20 March 2023 notes that “Prioritising equity, climate justice, social justice, inclusion and just transition processes can enable adaptation and ambitious mitigation actions and climate resilient development”.

Just transition reflects a common global purpose that entails responsibilities for everyone, including governments, employers and workers.

Transitions need concerted efforts and must be planned and structured in a way that addresses employment losses, decent work deficits, inequality and sectoral and educational misalignments.

Policies have to be coherent and balanced and must address the nexus between climate change, decent work and sustainable development.

The complexity of a just transition towards environmentally sustainable economies and societies for all is compounded by the implications of technological change and demographic shifts, displacement and migration, and persisting high levels of informality.

Inclusive just transition entails a strong gender dimension to address many of the environmental challenges and leverage the potential opportunities.

We must be aware that the transition to a green economy is not gender neutral by default. In fact, it might replicate current gender imbalances in labour markets.

For example, ILO studies found that of the nearly 20 million additional jobs possible in a sustainable energy transition by 2030, only 6 million jobs go to female workers.

In June 2023, the *International Labour Conference endorsed the ILO Guidelines for a Just Transition Towards Environmentally Sustainable Economies and Societies for All*, as the central reference for policymaking and a basis for action.

The Guidelines provide a solid framework to design and implement comprehensive policies that can (i) promote inclusive, sustainable and job-rich economies; (ii) advance social justice; (iii) forge social consensus through effective social dialogue; and (iv) finance a just transition.

Just transition involves maximizing the social and economic opportunities of climate and environmental action, including an enabling environment for sustainable enterprises, while minimizing and carefully managing challenges.

It should be based on effective social dialogue, respect for fundamental principles and rights at work, and be in accordance with international labour standards. Stakeholder engagement is also important.

A just transition is central to delivering sustainable development in its economic, social, and environmental dimensions and to addressing the linkages between them.

It is instrumental in taking ambitious action on environmental and climate change and pursuing the realization of the goals and commitments of the Paris Agreement and, as appropriate, other international environmental agreements relevant to a just transition.

Ensuring a just transition is important for all countries at all levels of development, and for all economic sectors, the formal as well as the informal economy, and should be in line with national development priorities.

Strong social commitment and consensus is fundamental. Social dialogue must be integral to policymaking and implementation. Engagement and consultations should take place with all relevant stakeholders.

Your Excellencies, ladies and gentlemen,

Europe has been at the forefront of the global agenda on environmental sustainability.

The European Green Deal, the Just Transition Mechanism, the Social Climate Fund are all essential policy instruments to ensure that the ecological transition is just and inclusive, putting people first, and paying attention to the regions, industries and workers who will face the greatest challenges.

At the political level, the EU Council's Recommendation of June 2022 provides a vision towards a fair transition to climate neutrality.

The Council's Conclusions of November 2023 regarding the Triple social green and digital Transition, underlines the interrelations in the pursuit of sustainable development, noting the ILO Guidelines for a just transition.

European leadership is fundamental to demonstrate that there is a way forward out of the global environmental crisis – and that choices are not to be made between growth, prosperity and equality on the one hand, and environmental sustainability on the other.

As a specialized agency of the United Nations, the ILO works to support your efforts and initiatives towards a just transition.

The ILO has developed a range of policy tools and instruments which can contribute to turning political ambition into actions.

The tool “Greening TVET and skills development: A practical guidance tool” supports technical and vocational education and training stakeholders to mainstream skills for the green transition in TVET and skills development in a systemic and holistic manner.

The guide “How to work in the green economy” provides job seekers and those who support them with useful information to build their professional goals, either as an employee of the green economy, or by creating their own job in a sustainable entrepreneurship approach.

The Just Transition Finance Tool for banking and investing activities provides practical guidance to financial institutions on integrating just transition considerations in their strategies and operations.

The EU, through the Member States and the European Commission, has been a central funding and knowledge partner to the ILO and other UN agencies on a range of programmes and projects that support countries outside of Europe.

Through EU support, the Partnership for Action on Green Economy brings together UNDP, UNEP, UNIDO, UNITAR and the ILO to work with 22 countries on reframing economic policies and practices around sustainability.

The Climate Action for Jobs Initiative rallies 49 countries committed to putting in place national strategies and plans for a just transition, including a dozen European countries.

The Green Jobs for Youth Pact aims to create 1 million new green jobs, speed up the greening of another million jobs and support 10,000 green entrepreneurs.

The Global Accelerator on Jobs and Social Protection for Just Transitions aims to strengthen multilateral cooperation to fast-track much-needed global actions to promote a job-rich, human-centred recovery, as well as just ecological, technological, and societal transitions.

In collaboration with the EU Commission Directorate-General for Employment, social affairs and inclusion, we established the first ever Just Transition Pavilion at the UN climate change negotiations, offering a platform to engage in informal diplomacy, policy dialogue, and sharing of experiences in relation to just transition.

Your excellencies, ladies and gentlemen,

These are solutions-focused and results-oriented programmes to scale up global capacity for a fast and inclusive just transition.

However, we need to do more, through effective multilateral cooperation.

That’s why the ILO has launched the Global Coalition for Social Justice.

The Coalition seeks to build a future with social justice for all, and to accelerate progress on the 2030 Agenda for Sustainable Development.

The ILO welcomes the EU joining the Global Coalition for Social Justice and looks forward to engaging with the EU to create a sustainable world, with decent work and social justice for all.

You can count on the ILO as a trusted partner to drive a just and inclusive transition to sustainability in Europe and across the world.

Thank you.