



# ► Just Transition Policy Brief

August 2022

## The Role of Social Dialogue and Tripartism in a Just Transition towards Environmentally Sustainable Economies and Societies for All

### Key messages

- Climate action brings opportunities and challenges for economic growth, job creation and social welfare, thus affecting governments, employers and workers in multiple ways. Social dialogue among the tripartite partners therefore plays a fundamental role in addressing climate change and facilitating a Just Transition.
- Strong tripartite actors with a sound grasp of climate-related issues and its consequences are essential for effective social dialogue on a Just Transition.
- Social dialogue facilitating a Just Transition goes beyond energy policy and should cover all relevant policy domains when setting the agenda.
- The preferred setting for social dialogue on Just Transition is within a permanent social dialogue institution that is strong and meets on a regular basis.
- Inviting other relevant stakeholders to participate in broader dialogue can present a wider range of experience on this relatively new topic, enriching the tripartite discussion and benefitting all.





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## Background

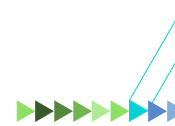
The ILO *Guidelines for a Just Transition towards Environmentally Sustainable Economies and Societies for All* (hereafter the Just Transition Guidelines), adopted by representatives of governments, employers' and workers' organizations in 2015, provide a policy framework and an operational tool to address environmental change in a way that advances social justice and promotes decent work creation. This policy brief is part of a series of briefs that seek to deepen the technical and policy understanding of the application of the Just Transition Guidelines. They are mutually reinforcing and together form a body of policy guidance on the Just Transition Guidelines.

The just transition briefs are intended for use by policymakers and practitioners at all levels to provide practical information and guidance, fostering a common understanding of what is meant by a just transition in specific topic areas and providing recommendations for implementation by countries, international institutions and other actors in academia and civil society. The briefs seek, in particular, to provide guidance on just transition to ILO constituents, including workers' organizations,

employers' organizations, and governments and relevant line ministries.

The briefs cover the following thematic areas: macro-economic and growth policies; industrial and sectoral policies; active labour market policies; enterprise policies; skills development; green works; occupational safety and health; social protection; rights; social dialogue and tripartism; collective bargaining; labour migration and human mobility; indigenous peoples; gender and labour; youth employment; persons with disabilities; persons with HIV/AIDS; and financing a just transition.

This policy brief is intended to present the linkages between just transition and social dialogue and tripartism, providing stakeholders with information and recommendations for implementation. The broad implementation of just transition across all policy areas and cross-cutting thematic topics requires careful consideration of the guidance provided in the ILO Just Transition Guidelines, taking into account the needs, priorities and circumstances of each country.



## 1. Introduction and objectives of the brief

The ILO, backed by unequivocal scientific evidence (IPCC, 2021), has consistently pointed out that human-driven climate change has already had a negative impact on economic growth, job creation and social welfare (ILO, 2018). Future environmental challenges, such as dealing with extreme weather events, look increasingly daunting, harming societies and economies and affecting governments, employers and workers in multiple ways. Thus, social dialogue among the tripartite partners plays a fundamental role in facilitating a Just Transition and stems from their shared interest in achieving sustainability in order to ensure the long-term viability of communities, firms and jobs (ILO, 2020).

In October 2015, Tripartite Meeting of Experts, convened under the auspices of the ILO, engaged in social dialogue to develop and adopt the Guidelines for a Just Transition towards Environmentally Sustainable Economies and Societies for All (ILO, 2015a). These Guidelines aim at enabling governments, workers and employers to leverage the process of structural change towards a greener, carbon-neutral economy.<sup>1</sup> The Guidelines also seek to ensure a coherent policy framework across nine important policy areas, including the expansion of employment opportunities and the promotion of social protection.

The objectives of the Guidelines have been summarized as consisting of three Ps: planning, participation and poverty eradication (ILO, 2021a). Because the Just Transition towards environmentally sustainable economies will have huge impacts on enterprises, jobs and workplaces, it must be achieved through careful planning. The efficient laying down of plans and subsequent implementation requires the participation of key actors in the world of work – of governments, workers’ and employers’ organizations – through social dialogue. The ultimate aim of a Just Transition is to provide decent work for all, leaving no one behind, that is, to improve working and living conditions for all, including the most vulnerable groups in society.

The Guidelines establish social dialogue as a key policymaking tool for achieving such a transition.

The ILO (2013) defines social dialogue as all types of negotiation, consultation or information sharing among representatives of governments, employers and workers, or between those of employers and workers, on issues of common interest relating to economic and social policy.<sup>2</sup>

Social dialogue is cross-cutting, functioning as an end in itself, as it allows the tripartite social partners to confer on policies that affect them directly, and as a key means of implementing policies and laws. Hence, social dialogue should permeate the whole process guiding a Just Transition towards environmentally sustainable economies (ILO, 2021a). This recommendation is fully reflected in the Guidelines, which both feature social dialogue as a self-standing policy area and promote mechanisms for social dialogue among governments, workers and employers’ organizations throughout policy-making processes at all levels.

Upholding such role for social dialogue is a crucial requirement for all involved, and it generates obligations for governments and social partners, and beyond. This applies to sustainable and environmental policies just as much as to other policy areas. The government should provide stable policy signals based on social dialogue, promote the relevant International Labour Standards and, especially “provide opportunities for the participation of social partners at all possible levels and stages of the policy process through social dialogue and foster consultations with relevant stakeholders” (ILO, 2015a: 8). The government, together with the social partners, should consider: “concluding agreements for the implementation of economic, social and environmental policies, including with a view to achieving the Sustainable Development Goals” (ILO, 2015a: 9) and promote cooperation at the international, regional, national, industry, local and enterprise levels, where each level is most suitable for a number of tasks (for example, developing, implementing and monitoring policies at the national level; ensuring decent work and designing adequate and continuous training at the industry level; and integrating measures for a Just Transition into local sustainable development at the local level).

1 The 2015 Guidelines inspired the Just Transition Declaration signed by 14 countries and the European Commission at the 26th Conference of the Parties (COP26) in Glasgow in November 2021.

2 Tripartite dialogue happens between workers’ organizations, employers or their organizations and government representatives; bipartite between workers’ organizations and employers or their organizations. The government can participate in bipartite dialogue with workers’ organizations in its capacity as employer in the public sector.





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With regards to social dialogue and tripartism, the Guidelines for a Just Transition provide greater detail.<sup>3</sup> Governments should actively promote and engage in social dialogue, at all stages from policy design to implementation and evaluation as well as promote the creation, development and formalization of dialogue mechanisms and structures at all levels. Social partners should raise awareness and understanding of the topic and provide guidance among their members; play an active role in the formulation, implementation and monitoring of national sustainable development policies; defend the interests of their members and represent them effectively in social dialogue and other policymaking processes as well as promote the inclusion of specific environmental provisions through social dialogue mechanisms, according to industrial relations practices at the national level.

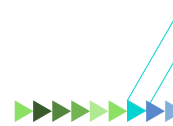
In addition to social dialogue and International Labour Standards, the Guidelines for a Just Transition outline specific policy domains, and each of them – macroeconomic and growth, industrial and sectoral, enterprise, skills development, occupational safety and health (OSH), social protection and active labour market policies (ALMPs) – includes sections that need to be developed by government in collaboration with the social partners. Enterprise, skills development

and OSH policies also contain sections whose actions may be undertaken separately by governments and/or employers' and workers' organizations. Some of the above-mentioned policy domains reserve certain issues to be dealt with through social dialogue mechanisms above and beyond consultation, the details of which can be found in the Guidelines.

For example, the tripartite social partners, together with international organizations, should undertake collaborative efforts to incorporate the Just Transition framework into macroeconomic policies. Sectoral social dialogue should promote consensus building for the successful implementation of social, economic and environmental policies. As for enterprise policy, the tripartite social partners ought to provide an enabling environment for sustainable enterprises in the context of a Just Transition, based on social dialogue.

Skills development also requires forging social pacts. Tripartite partners are encouraged to coordinate skills development policies and technical and vocational education and training systems with environmental policies. Governments and social partners should moreover engage in social dialogue in order to ensure responsive and collaborative

<sup>3</sup> Here only summaries are provided, see ILO (2015b) for the full provisions.



labour market institutions and training systems necessary for a Just Transition.

OSH policies require that tripartite social partners work towards greater cooperation among occupational health and environmental agencies with regard to policies, incentives, regulation and compliance and to promote joint workers' and employers' OSH committees and best practices in the workplace.<sup>4</sup> In social protection, governments, in consultation with the social partners, should foster tripartite mechanisms to identify and understand the challenges posed by climate change and to formulate innovative social protection measures.

International Labour Standards, including Fundamental Conventions (No. 87 and No. 98), Governance Conventions (No. 144) and several other ILO Conventions and Recommendations underpin the effective functioning of social dialogue. The Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) recognizes the right of workers and employers to freely establish and join organizations of their own choosing. Public authorities should refrain from any interference which would restrict this right or impede its lawful exercise. Moreover, the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) provides for the establishment of measures to ensure respect for the right to organize and promote the development of collective bargaining.<sup>5</sup> Additionally, the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144) promotes tripartite consultations between government and the representative employers' and workers' organizations on International Labour Standards (ILO, 2017).<sup>6</sup>

The role of the ILO is not, however, confined to promoting International Labour Standards. The Climate Action for Jobs Initiative<sup>7</sup> supports countries in advancing a Just Transition and facilitates knowledge development and capacity building on delivering climate goals and decent work in an integrated manner. Social dialogue is regarded as a key area of focus and the foundation for policy development and implementation. Several countries

participating in the initiative – including Argentina, Costa Rica, Côte d'Ivoire, France, Ghana, Indonesia, Samoa, Senegal, and Spain – have highlighted the importance of social dialogue for informing Just Transition plans and relevant policy instruments.

Such initiatives underpin the notion that the correct participation of the tripartite partners in a Just Transition is only guaranteed through social dialogue – both as a policymaking process and as a generator of policy output – that is at the same time inclusive and effective (ILO, 2021b). A few takeaway points are worth emphasizing:

First, in order to broaden the ownership of results and increase the capacity to deliver, tripartite social dialogue mechanisms must be designed to accommodate maximum inclusiveness, especially of vulnerable groups.

Second, by inviting other relevant stakeholders to participate in broader civic dialogue, the government, workers' organizations and employers' organizations may greatly benefit from the practical knowledge and social and political capital of interested groups, such as environmental advocates, development councils, indigenous leadership and local residents.

Third, effective social dialogue for a Just Transition should cover the relevant policy domains when setting the agenda, ranging from macroeconomic to industrial policy and skills development to OSH and social protection as well as key climate-related sectors, such as energy, transport and tourism.

Fourth, every Just Transition should benefit from consultations that are based on sound analysis and are the result of consensus of the tripartite social partners, in order to ensure that decision-makers are advised on policy decisions that are both desired and feasible.

Fifth, in order for a social dialogue institution's machinery to run smoothly, sound internal working procedures, monitoring and communication strategies need to be in place for each partner as well as for the process as a whole.

4 In some countries these committees include environmental issues and are called OSHE Committees, for instance, the Bangladesh Occupational Safety, Health and Environment (BOSHE) Foundation.

5 Other relevant ILS include the Rural Workers' Organisations Convention, 1975 (No. 141) and Rural Workers' Organisations Recommendation, 1975 (No. 149), which also benefit migrant workers, who are involved in agriculture.

6 The accompanying Tripartite Consultation (Activities of the International Labour Organization) Recommendation, 1976 (No. 152) complements Convention No. 144 by providing further guidance in its implementation.

7 More information is available at <https://www.climateaction4jobs.org/action/>.

## 2. Key stakeholders in a Just Transition

In bipartite and tripartite social dialogue, the ability and capacity of the social partners and the existence of appropriate social dialogue institutions (SDIs) are key structural features that also determine its ultimate success and influence. This is true with respect to a Just Transition.

Two rights can be defined as basic in industrial relations: freedom of association and the effective recognition of the right to collective bargaining. The right of workers and employers to form and join organizations is an integral part of a free and open society. Independent employers' and workers' organizations are key actors in collective bargaining and social dialogue. Beyond the formal requirements to form a workers' (or employers') organization it is necessary to complement eventual gaps in the coverage, especially of vulnerable groups (Visser, 2019a). This means to reaching out to workers in the informal economy, domestic workers, migrant workers, own-account workers, platform economy workers, and so on. Dialogue with representatives from the civil society, such as environmental groups, indigenous peoples and other local stakeholders, is also beneficial for the success of a Just Transition.

The participation of public authorities and administration as enablers of social dialogue is often seen as a key political precondition for its success. What's more, the variety of actions to be carried out by the public authorities and administration in collaboration with the social partners, requires that all relevant socioeconomic sectors be involved in creating a Just Transition.



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In addition to the right of freedom of association and the effective recognition of the right to collective bargaining, effective social dialogue requires strong and knowledgeable workers' and employers' organizations. The number of sectors in which workers' and employers' organizations operate are important aspects of their strength and capacity to coordinate. The definition of the criteria for their representativeness, their respective memberships and densities determine their legitimacy as rightful interlocutors with governments and the other social partner (Visser, 2019b).

SDIs differ in form, approach, mandate, composition and so on, thereby reflecting the diverse historical trajectories and social dialogue traditions present in individual countries. Getting the social dialogue machinery right is a fundamental ingredient of increasing inclusiveness and efficiency. This is the subject of the next section.

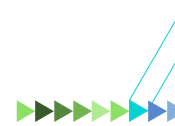
Here it is useful to underline that social partners and SDIs around the world have repeatedly indicated the need to step up efforts to engage in social dialogue dealing with climate change and a Just Transition.

### 2.1 Workers' and employers' organizations

The International Trade Union Confederation (2020) launched the Climate and Employment-Proof Our Work frontline campaign and the Global Shifts-Just Transitions pillar of action. According to its 2020 global poll of 16 countries, more than two thirds of respondents were worried about climate change, 63 per cent believed their government should be doing more to promote a Just Transition to a zero-carbon future and one in three despaired about their government's action to reduce the impact of climate change. Taking the European Union member states as an example, workers' organizations were often consulted, however, in more than half of the cases their positions were not taken into account (ETUC, 2018; ILO, 2018).

It should be stressed that it is fundamental that the social partners are familiar with the nationally determined contributions (NDCs) of the Paris Agreement and their impact on jobs, a Just Transition and decent work. International workers' organizations, such as IndustriAll (2019), demand the creation of properly constituted and funded multi-stakeholder Just Transition commissions





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on structural change and employment, and that discussions take place at company, local, national, regional, and global levels. Social dialogue's ground rules should include: i) a statement of purpose that the objective is to implement sustainable industrial policies and Just Transition programmes; ii) the establishment of a permanent institution; iii) a stated goal of policy coherence between local, regional, and national plans; iv) the recognition of fundamental labour rights as core principles within any discussions.

On the employers' side, a 2018 survey of 500 companies of different sizes from every world region showed that 69 per cent recognized that increasing environmental and disaster risks have considerable impact on their operations and reputation (IOE, 2019: 45). To this end, the International Organisation of Employers (2020a; 2020b) explains that a managed Just Transition goes beyond energy policy as employment, social and political considerations need to be taken into account. This requires innovative multilateralism and global coordination, in other words, multi-level social dialogue, which consists in their view of four procedural steps: taking stock, providing a seat at the table, providing social protection and creating funds for a Just Transition. It cites historic examples when governments did not consider businesses' views, thereby ending up with socially suboptimal solutions.

## 2.2 Social Dialogue Institutions

At the level of SDIs, up-to-date information is scarce given their fragmented and diverse nature. Yet, in 2017, the ILO surveyed 45 national SDIs around the globe on issues related to social dialogue and the future of work, including on climate change.

At that point, the institutions' involvement was still relatively low, but there were signs that it is increasing over time. On a scale of 0 (no engagement) to 3 (high engagement), the average score for all climate-related actions undertaken by SDIs was 0.96, ranging from a high of 1.16 for collaborations with relevant research institutes and regional, national and global initiatives to a low of 0.67 for capacity building and 0.71 for development of an action plan. In between, awareness raising and policy development scored 0.93 and research endeavours 1.02.

According to ILO-AICESIS (2017), most SDIs had not exploited yet their full potential on climate. Half did not have an action plan in place, few had provided policy advice, engaged in awareness raising or capacity building. One third had conducted recurrent research. An exception was the Netherlands, which reported a comprehensive approach, including the facilitation in 2013 of an Agreement on Energy for Sustainable Growth between 47 Dutch organizations and consisting of 175 concrete measures and

sub-agreements related to clean energy, which provided the basis for all national energy policies. Beyond this, several good practices had nonetheless emerged. SDIs in Montenegro and Morocco had conducted studies on the green economy and green jobs. Belgium, France and Luxembourg had included green jobs in their respective national SDI's recommendations. More

common was the involvement in talks at national and supranational levels, collaborations with other institutions and participation to workshops and conferences. Côte d'Ivoire's SDI established a "clean-up" working group and organized workshops on green jobs in Abidjan. The SDI of the Republic of Guinea participated in several UN Climate Change Conferences.

### 3. Inclusiveness and effectiveness of social dialogue for a Just Transition

As shown above, strong stakeholders that have a sound grasp of climate-related issues are fundamental for social dialogue and a Just Transition. Yet, from an organizational viewpoint, several general characteristics related to the correct functioning of SDIs transcend climate-related issues.

At an abstract level, social dialogue should be a legitimate process with regard to inputs (the involvement of the relevant stakeholders on an equal footing), throughputs (a transparent decision-making process that takes into account the views of the involved stakeholders) and outputs (the translation of the decisions taken into sustainable and balanced policy) (Scharpf, 2003; Schmidt, 2013).

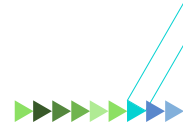
The two ingredients that guarantee such triple legitimacy in social dialogue are inclusiveness and effectiveness (ILO, 2021b). **Inclusiveness** comprises five dimensions. First, social dialogue institutions must include the representatives of workers' and employers' organizations on an equal footing. Second, an SDI's decision-making body must include a balanced representation of its constituent members, so that their views, including on a Just Transition, are equally heard. Third, the membership of the SDI should include a balanced number of women and men and reflect other aspects of the diversity in society. Gender, diversity and inclusion need to be addressed in the SDI's work, as vulnerable groups may be disproportionately threatened by climate change. Fourth, the SDI's member organizations should be representative of their respective constituencies and should strive to expand their membership to the informal and other vulnerable parts of the economy. Fifth, the SDI should address issues of concern to a wide spectrum of employers and workers, including marginalized and excluded categories. In this vein, the SDI may invite representatives of environmental groups, indigenous peoples as well as consult experts on

climate to share their perspectives with government and the social partners to inform their discussions and decisions.

The effectiveness of social dialogue institutions also comprises five dimensions (ILO, 2021b).

**Agenda effectiveness** implies that the SDI discusses significant labour, social and economic issues. Guardiancich and Molina (2021) call this an implicit or explicit "effective mandate" to deal with socioeconomic issues that are of interest to the social partners, reflecting the organizational motivation in social dialogue. Hence, in order to engage in a Just Transition, SDIs must have a broad mandate to deal with the whole range of policies that are of relevance to a Just Transition. **Consensus-building effectiveness** refers to the processes within an SDI through which consensus is achieved among its members on policy issues, based on sound analysis as well as credible information and data. **Policy influence effectiveness** is obtained when the SDI influences legislative and policymaking processes and outputs. Hence, it is not enough that the social partners are consulted on Just Transition issues – their views should be reflected in ensuing legislation and policy programmes. **Social peace effectiveness** concerns how effectively the SDI contributes to the achievement or maintenance of sound industrial relations and social peace. Finally, **operational effectiveness** is fulfilled when the SDI has efficient internal procedures, working methods and tools, and communicates effectively about its work to its target audiences. This dimension includes the budget, internal procedures, working methods and communication issues. As Guardiancich and Molina (2021) note, operational effectiveness affects the capacity of social dialogue to solve problems, a key aspect of its legitimacy in the eyes of policymakers and the public.





Last but not least, an essential condition for social dialogue to function is its full acceptance as part of the policymaking process, that is, the existence

of an enabling external environment that places the highest value on social dialogue as a key tool to achieve a Just Transition.

## 4. Examples of social dialogue and a Just Transition

It is beyond the aims of this brief to comprehensively illustrate the many facets of social dialogue's role in a Just Transition. Hence, four case studies have been selected to show good practice in involving key stakeholders within a Just Transition.

Case study 1 shows the importance of the government's commitment, that is, the existence of an enabling external environment. If planning a Just Transition does not rely on comprehensive social dialogue it is difficult to believe that the Transition itself will be carried out in consultation with the relevant stakeholders, especially with workers' and employers' organizations. The enhanced NDCs of Kenya and Costa Rica are presented.

Case studies 2 and 3 exemplify what workers' and employers' organizations can contribute to a Just Transition. As stated by ITUC, during a Just Transition, workers' organizations can play an important role in the creation of better and healthier jobs and in defence of those workers who may lose their jobs. The decent jobs agenda for the renewable energy industry of the Australian Council of Trade Unions (ACTU) is a case in point when a workers' organization represents those in vulnerable working categories and employs its knowledge to forward their cause. This is complemented by the industry's Charter for Renewable Energy Projects. Focussing on employers' organizations, by virtue of their privileged position, they can effectively disseminate climate-related knowledge, best management practices and innovations, which may greatly help the adoption of green technologies and management practices linked to a Just Transition. The case of the Japanese Business Federation's Challenge Net Zero Carbon Innovation is thus briefly analysed, an initiative through which clean technologies are disseminated, in collaboration with the government and research institutes.

Case study 4 indicates what role social dialogue institutions can play when strategically planning a Just Transition. Their involvement is a source of factual, procedural and organizational knowledge that should percolate into the policymaking process, implying a high degree of policy influence effectiveness. The contribution of the Economic

and Social Council of Greece (OKE) to its National Recovery and Resilience Plan (NRRP) is thus presented.

### 4.1 Case study 1: The process of enhancing NDCs

Under the Paris Agreement on Climate Change (United Nations, 2015), countries have to submit nationally determined contributions (NDCs). These NDCs are instrumental for the achievement of the agreement's long-term goals. NDCs embody national efforts to reduce greenhouse gas (GHG) emissions and adapt to the impacts of climate change. Each government is required to prepare, communicate and maintain successive NDCs that it intends to make as well as to pursue domestic measures aimed at achieving the objectives of such contributions. The NDC update entails public participation – especially



with the social partners – and engagement with local communities and indigenous people in an inclusive and consultative manner, consistent with the implementation strategies for the Paris Agreement (decisions 1/CP.21 and 4/CMA.1). Countries are obliged to submit NDCs every five years to the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat. Each successive NDC should represent a progression compared to previous commitments. The first deadline for submissions of enhanced NDCs was 2020.

In devising new climate plans submitted by governments under the Paris Agreement, the involvement of the social partners in the planning process and, later, in implementation is necessary if decent work and a Just Transition are to be attained (for an interim assessment, see ITUC, 2021). The NDCs of Kenya and Costa Rica are worth exploring for their involvement of social partners.

### Enhanced NDC in Kenya

Kenya's updated NDC (Government of Kenya, 2020) describes Kenya's mitigation and adaptation contribution for the period 2020 to 2030 and proposes priority actions for the period. Its long-term development plan, Vision 2030, individuates climate change as a risk that could slow the country's development, while the National Climate Change Response Strategy, developed in 2010, was the first national policy document on climate change, implemented through National Climate Change Action Plans (for the periods 2013–17 and 2018–22).

Following the guidance provided in *Enhancing NDCs: A Guide at Strengthening National Climate Plans by 2020* (Fransen et al., 2019), an inclusive process for NDC enhancement was established. Adow et al. (2021) posit that the new approach is a substantial improvement compared to the original NDC. The process was led by the Ministry of Environment and Forestry and coordinated by its Climate Change Directorate. Stakeholders were identified from several national and country government sectors, civil society, academia, the private sector and the social partners. Expert consultative workshops were held prior to COVID-19 limitations and through virtual workshops thereafter.

Hence, the Kenyan enhanced NDC can be positively assessed, as it explicitly refers to a Just Transition and for representing a case of good practice in social dialogue, as the government has consulted with the social partners about its plans.

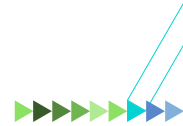
### Enhanced NDC in Costa Rica

The enhanced NDC of Costa Rica (Government of Costa Rica, 2020) sets a deadline in 2022 to set up a National Cycle of Ambition, with which to establish a continuous, iterative and inclusive process that incorporates the best available science and involves the groups most vulnerable to climate change in order to monitor and update the NDCs and related long-term strategies. The cycle will help update the different instruments, seeking the best strategy to fulfil the 2050 decarbonization goals, keep emissions in line with the current NDC trajectories and define targets for future periods. The government is moreover committed to analysing the state of green jobs in the country within the same timeframe.

Costa Rica also pledged to establish by 2022 a Just Transition governance scheme led by the Ministry of Environment and Energy, the Ministry of Human Development and Social Inclusion and the Ministry of Labour and Social Security for the sectors contemplated in the NDC. The governance scheme foresees a working commission between the Ministries, with the aim of establishing a common understanding of the Just Transition and coordinating joint actions. Moreover, the new processes will employ permanent and ad hoc fora promoting tripartite social dialogue between government, employers and workers, as well as a broad consultation process that integrates women and young people, as well as indigenous peoples and those of African descent in a manner appropriate to the realities and worldviews of the different communities and territories (Government of Costa Rica, 2021).

The final aim is to develop a Just Transition Strategy by 2024, accompanied by a National Green Jobs Policy and the mechanisms to monitor and evaluate them, including the development and implementation of the necessary functions in the National Metrics System of Climate Change. These would then help in estimating green employment, monitoring the implementation of the Just Transition, measuring the impact of climate action on employment and vulnerable groups, as well as in anticipating labour market changes caused by it.

Considering the above, the Costa Rican enhanced NDC stands out because it refers to the Just Transition and contains a commitment to tripartite social dialogue between the government, workers and employers.



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## 4.2 Case study 2: A decent jobs agenda for the Australian renewable energy industry

According to a report sponsored by the Clean Energy Council (Briggs et al., 2020), the peak body and voice in the industry, which represents 900 companies working in and supporting the clean energy sector, renewable energy will be a major source of jobs in the next few years in Australia, depending on government policy choices. Renewable energy currently employs approximately 25,000 workers, more than the domestic coal sector. By 2035 this number may swell to more than 46,000 people, and three quarters of these jobs will be in rural Australia. Renewable energy will play a meaningful role in a Just Transition for coal regions, but a comprehensive transition plan for industry diversification, renewable planning, and investment to be agreed through social dialogue is needed to realize these opportunities for enterprises and the current coal workforce as well as to ensure decent working conditions for the renewable energy sector.

Both the Clean Energy Council report (Briggs et al., 2020) and the analysis by the Australian Council of Trade Unions (ACTU, 2020) point to shortcomings within the Australian renewable energy labour market. Due to the initial capital intensity of investments in the renewable energy sector, the

share of manufacturing jobs declines vis-à-vis more fragmented and lean jobs in operations and maintenance. The absence of Just Transition criteria related to labour standards and local procurement standards, imply that often the quality and protection afforded to jobs in the sector are low. Additionally, the EPC (engineering procurement construction) model of project delivery that is common in the renewable energy sector relies on labour hire agencies, which often employ casual contracts that are not covered by a union-negotiated enterprise agreement, and on outsourced (often to immigrants) operations and maintenance services that may be even less labour-friendly. This business model may lead to underinvestment in training and to skills shortages. Several, if not most of the problems affecting the current and prospective labour force in the renewables sector are amenable to be resolved through social dialogue, for which there is a large potential in Australia.

To this end, ACTU (2020) has drawn up an agenda for improving the quality and security of clean energy jobs to be achieved through social dialogue with the industry in the nation's energy transition. Similarly, the employers have produced both "A Guide to Benefit Sharing Options for Renewable Energy Projects" (Lane and Hicks, 2019) and a "Best Practice Charter for Renewable Energy Projects" (Clean Energy Council, 2021), which is a voluntary set of



commitments to clearly communicate the standards that the signatories will uphold in the development of current and new clean energy projects.

Despite some differences, a number of actions seem to be sensible for a Just Transition to take place:

i) ensuring commitment to a genuine dialogue between employers' and workers' organizations as part of a process designed to improve the quality and security of renewable energy jobs and the future of the industry; ii) enhancing the quality of jobs in the industry during the phases of project planning and design (especially through collaboration with regional employment, training and development bodies), construction (through direct employment and union-negotiated agreements as opposed to labour hire contracts) and operation (through direct employment and the establishment of a permanent highly skilled workforce); iii) working with Traditional Owners of the land and First Nations communities across all project phases, especially taking into account the concerns of Aboriginal and Torres Strait Islander union members, and similar stakeholder groups.

ACTU's engagement with the development of Australia's renewable energy sector is a bright example of a workers' organization that seeks to ameliorate working conditions through social dialogue in a sector that is central to a Just Transition. This is complemented by the employers' focus on local communities through the Charter for Renewable Energy Projects.

### 4.3 Case study 3: The Challenge Zero initiative for Japanese enterprises

In June 2019, Japan submitted its Long-term Strategy under the Paris Agreement (Government of Japan, 2019a) to the UNFCCC. It included a national GHG emissions reduction target of 80 per cent by 2050, the guiding principle for achieving this goal as well as the intention of realizing a decarbonized society as early as possible in the second half of the twenty-first century. As part of its Integrated Innovation Strategy 2019 (Government of Japan, 2019b), the Japanese Government formulated a Zero Emission Innovation Strategy that identified those innovative sectors, especially in energy and the environment, where the country has a comparative advantage and can contribute towards decreasing GHG at the global level.

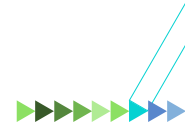


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Within this context, the Japanese Business Federation, whose membership comprises 1,461 representative companies and 109 nationwide industrial associations and regional organizations in all 47 prefectures, had already devoted energies towards innovative approaches to meet several climate-related SDGs (Keidanren, 2018).

As the main driver of innovation in the country, the Japanese Business Federation launched the Challenge Zero (Challenge Net Zero Carbon Innovation) in early 2020 to take on innovation challenges with the aim of moving towards a decarbonized society. The employers strive to realize a virtuous cycle of environment and growth through the following concrete actions: i) the development of net zero emission technologies (including transition and adaptation/resilience technologies); ii) their dissemination and implementation; iii) finance for companies that are engaged in the development and dissemination of these technologies.

In July 2020, the government inaugurated a Green Innovation Strategy Promotion Meeting as a framework to support the companies involved in the Challenge Zero. In order to make visible the types of innovations and ongoing R&D phases in which firms are engaging, the Ministry of Economy, Trade and Industry (in partnership with Keidanren, the



New Energy and Industrial Technology Development Organization<sup>8</sup> and the Ministry of Agriculture, Forestry and Fisheries) has started preparing a list of Companies Taking on the Zero-Emission Challenge. Through this effort, METI aims to present referential information to investors and other stakeholders at home and abroad to help them decide on targets of their investment or funding. Adherence has been enthusiastic: the number of listed companies grew from 320 in 2020 to 624 by October 2021 (METI, 2021).

The Challenge Zero promoted by Keidanren is, hence, an example of effective climate action taken by an employers' organization and its members with key governmental support. The initiative would be complemented by the participation of one or more workers' organizations through effective social dialogue, as a means of including the views of labour on the challenges of decarbonization.

#### 4.4 Case study 4: The National Recovery and Resilience Plans in the EU

The President of the European Commission, Ursula von der Leyen, has identified the green agenda as a unifying project for the European Union (EU). The Green Deal (European Commission, 2019), devised in late 2019, set out a plan for turning green transformation into an economic growth opportunity for the EU. As with other green initiatives, the advent of the COVID-19 crisis in 2020 pushed the Green Deal aside, since the immediate response to the pandemic and the economic recovery topped the agenda. Yet, the Commission did not give up on the idea of green growth and incorporated it in its ambitious recovery package NextGenerationEU (NGEU). In the European Council's (2020) conclusions: "the plan for European recovery will need massive public and private investment at the European level to set the Union firmly on the path to a sustainable and resilient recovery, creating jobs and repairing the immediate damage caused by the Covid-19 pandemic whilst supporting the Union's green and digital priorities".

The mutually agreed NGEU is a €750 billion (2018 prices) temporary recovery instrument consisting of grants and loans to help repair the immediate economic and social damage brought about by the coronavirus pandemic. It is composed of

several funds with different destinations. Two are particularly relevant for the discussion on Just Transition and social dialogue: the €672.5 billion Recovery and Resilience Facility and the €10 billion Just Transition Fund which complement the Multiannual Financial Framework. The MFF is EU's long-term budget for 2021–27, which amounts to €1,074.3 billion, bringing the available funds to a grand total of over €1.8 trillion. Of these, 30 per cent are to support climate objectives. Hence, COVID-19 could be seen as a blessing in disguise: in normal times, the member states might have mulled over the traditional policy areas covered by the MFF, such as the Common Agricultural Policy, instead of considering new transformative policies such as climate policy (de la Porte and Jensen, 2021). On the one hand, ITUC (2021) has praised the EU for establishing the Just Transition Fund, which channels funds to fossil fuel and carbon-intensive regions most impacted by the energy transition. On the other hand, National Recovery and Resilience Plans (NRRPs) drafted by individual EU member states will require concerted attention to social dialogue and the involvement of the social partners.

Member states were required to submit to the Commission by April 2021 individual NRRPs, which outline their respective investment and reform strategies on using the funds from the Recovery and Resilience Facility (RRF). They include a five-year reform and investment strategy that allows the member states to rebound from the COVID-19 crisis and set the right pace of transformation needed for the twin, green and digital transitions. At least 37 per cent of the available funding should be allocated to green investments and reforms, which should produce long-lasting effects, thereby contributing to growth potential, job creation, resilience, and economic, social and territorial cohesion.

The Commission has repeatedly stressed that, based on past experience, effective implementation of the measures to be financed by the RRF, especially structural reforms, require that national governments and their constituents have ownership over the process. The involvement of all stakeholders, including employers' and workers' organizations, in meaningful social dialogue is key and in line with the European Pillar of Social Rights (European Council, European Commission and European Parliament, 2017), which was devised to

8 A national research and development agency that creates innovation by promoting technological development necessary for realization of a sustainable society.





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revamp the EU social agenda by reinforcing social priorities, relaunching already existing debates and initiatives in the social domain and proposing new ones (Sabato and Corti, 2018).

### The Greek NRRP

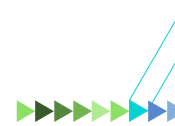
Pilati (2021) compared the processes and contents of NRRPs in Belgium, France, Greece, Italy and Poland and found out that some degree of public stakeholder consultations (with industry representatives, civil society, labour unions and local authorities) have taken place, although at different times and to different lengths. In Greece, the public debate on the NRRP took place from 25 November to 20 December 2020, mostly through a public deliberation process. Some 37 organizations, companies and individuals submitted 47 comments through the [www.opengov.gr](http://www.opengov.gr) platform.

Two types of actors participated in the NRRP public debate: i) political parties and the government; ii)

various stakeholders, including social partners and environmental organizations. Among them, the Greek Economic and Social Council (OKE), a national tripartite social dialogue institution, established a specific working group that produced a detailed draft opinion on the NRRP (OKE, 2021). The OKE stressed that more attention should be given to issues of social protection and cohesion and to the demographic problem. With regards to the Green Transition, it tabled as many as 22 additional proposals. Likewise, environmental organizations played an active part in the deliberation process and submitted many additional comments as well as criticisms.

Consultations of the OKE over the Greek National Recovery and Resilience Plan is an illustrative example of the involvement of a national SDI in the planning for a Just Transition, which requires the input from the tripartite social partners and beyond to be fair and effective.





## 5. Conclusions and key recommendations

A Just Transition requires social dialogue for its design, implementation and review as its key policymaking tool. This means concrete actions from its key stakeholders – governments, workers’ and employers’ organizations – as well as from the involved social dialogue institutions at all levels. Several preconditions are needed for social dialogue to function properly: i) the existence of strong, representative, independent and informed social partners; ii) inclusive and effective SDIs; iii) an enabling external environment; iv) the political will and commitment to achieve results through social dialogue; v) appropriate institutional support, and, finally; vi) trust between the parties as an essential ingredient for efficient social dialogue.

Independent and representative workers’ and employers’ organizations need, first, the freedom of association and the effective recognition of the right to collective bargaining to be in place, as mandated by the relevant International Labour Standards. Second, to be truly representative, they should strive to include vulnerable groups (informal workers and economic units, indigenous peoples and so on) as well as sectors such as energy and transport that will be heavily affected by the Just Transition in terms of jobs transformations and technological disruption. Third, information campaigns, training and capacity building for social partners as well as for relevant public authorities are necessary to help them become more familiar with climate-related issues and labour market repercussions of their country’s commitments to the NDCs of the Paris Agreement.

Next, to be fully functional, social dialogue must be both inclusive and effective. Inclusiveness is a matter of correct institutional design, as relevant stakeholders must be represented in social dialogue

institutions and their views must be taken into account. Equal and balanced representation as well as mutual trust between the partners are all necessary ingredients. Effectiveness requires a series of organizational features to be in place, such as sound internal decision-making procedures, communication strategies and so on. Some characteristics of inclusiveness and effectiveness are directly related to a Just Transition.

The tripartite social partners should consider expanding the participation on climate-related discussions to organizations of the civil society. This would entail organizing hearings, inviting experts on this relatively new topic, asking the informed opinion of the representatives of affected economic sectors (like transport, energy, mining and agriculture) and including environmental groups and those who are heavily affected by climate change, such as indigenous peoples. Additionally, SDIs need to have a clear and full mandate as well as political support on the whole range of policies and sectors that are key to achieving a Just Transition, so that they can participate and be consulted in all phases of the policymaking cycle. To this end, social dialogue institutions need to be adequately staffed and funded and their members reasonably capacitated on climate-related issues to strengthen their problem-solving capacity.

Most important of all, however, is for the governments to commit themselves to making social dialogue on ecological matters and a Just Transition a standard practice along the policymaking cycle, from agenda setting to implementation and from monitoring to reviewing. The goal is for social partners’ views to be included in all the planning and implementation phases of a Just Transition.

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