

Transcript

Denise: [00:00:00] Hi, and welcome to Climate Biz the podcast where sustainability meets smart business. I'm Sherry Friedman and I'm Denise Odaro.

Shari: this is an episode where we're bringing you a slightly different [00:00:15] slant than we, I usually do.

Denise: And it is also, I think the first time that we are chatting with someone who's been knighted by the queen.

Shari: We're going to be speaking today with Guy Ryder. Who's the Director General of the [00:00:30] International Labour Organization.

Denise: Guy Ryder is a celebrity, if you know anything about the labor industry, but also just a fascinating character. And we're so pleased to have him on mature today.

Shari: Indeed. And somebody had said to me, ask me the [00:00:45] other day, you know, do you think like this idea of the just transition is just lip service?

And I had to say, you know, I think for a while it was because nobody knew what to do with it. The labor movement and the climate movement were so separated. Speak the same [00:01:00] language and they weren't working together. But I really, over the last several years have seen that change as people from the labor movement starts to understand climate and people from climate starts to understand labor.

Denise: And it's really important with, I had a shadow of a doubt and I think in [00:01:15] particular, as we. Even more accustomed to the idea and the reality that we need to consider adjust, transition. As we look to as a decarbonized future, this is front and center of everything that we will be talking about. [00:01:30] And so the ILO's work here with regards to their green initiative is quite pivotal around the Paris agreement and the impetus of all areas of the ILO's work to achieve address transition to a world of [00:01:45] work that meets human needs, but also imperatively the planetary survival.

Shari: If you don't take care of the incumbent populations, if you just say, look, everybody's just going to transition. You end up having very serious political backlash. I mean, you saw that in [00:02:00] France with the yellow vest movement.

I mean the yellow vest movement, it was around pricing more than a labor shifts, but it's the same, you know, you see it here with, you know, the West Virginia. Opposition to moving away from fossil fuels. And I think you really have to [00:02:15] have a plan in order to not have this opposition and to move forward.

Denise: I can't think of anything else besides the he's from the same hometown as the Beatles.

So I think you should totally say that he is from [00:02:30] Liverpool, which of course is the home of the Beatles and as a Beatles fan myself. And so his shower use dog is named.

Shari: Ringo!

Denise: We will go over to Guy Ryder. [00:02:45] Hello Guy, and welcome to Climate Biz. This we're very excited to have you.

Ryder: Thanks very much for your invitation.

Shari: So labor has been. Front and center in climate for a while. And a lot of this has to do [00:03:00] with the just transition. And so I'm just going to jump right in here and say that this means something different to everybody. So just putting it into the buckets. One of them is making sure that workers in carbon intensive industries could find work elsewhere.

Another one is making sure that the financial [00:03:15] impacts of policies are not disproportionately borne by lower income people. And then also there's making sure that climate policies. Don't disproportionately affect lower income countries. So what's your take on the just transition? Where are you focusing?

Ryder: [00:03:30] Yeah, I think you've described the idea of just transition very well as you've just summarized it. But just before going to that, what I think is really significant in the current state of the discussion, it's that it's more and more coming into [00:03:45] focus in the policy debate is the notion that, you know, we're not going to retire or reach our climate goals.

Unless we take on board, all of the, the labor market, the business, the social dimension. Of the process of change, which is ahead of us. [00:04:00] If you take us the basic proposition that climate change is a result of human activity. Well, the vast majority of that relevant human activity is. Well work-related so just transition is basically building on that simple [00:04:15] reality.

Now, what do we have to think about in just transition? Well, we have to get people from the places that they are working in labor markets right now, how businesses are operating to a different place and do so in a way which [00:04:30] meets basic criteria of fairness, and social cohesion. And I think there are different dimensions for this transition.

One is the temporal that, that the time aspect to all of this, you know, something may happen, which is bad to [00:04:45] people in labor market. It's sometime before some other opportunities come on, tap another is simply geographical disconnections. You know, where the old things are going and the new opportunities are appearing.

Maybe quite different. Thirdly, you've got, and you've mentioned it. [00:05:00] The distributional impacts, you know, there are going to be costs involved in this transition that will eventually be benefits that will be costs as well. And I think at the heart of the just transition notion is that those costs need to be shared fairly.

The [00:05:15] benefits need to accrue widely and that applies both nationally, but it also applies internationally. Cause there was a, an extraordinary. Complex issue of the different responsibilities of countries at different levels of [00:05:30] development. And if you bundle all of those ideas together, I think you've got a real idea of just how complex is just transition is.

And if I can just go on from there, the good news is that according to all of our studies, there is a jobs [00:05:45] dividend available here. I've just shortly after the Paris agreements, we did a, a global study, which indicated this was in 2019, but by 2030, we thought that if we. The path set out by [00:06:00] Paris, a hundred million, 100 million new jobs could be created globally with the lots of 80 million.

But you see that the, the net gain there is substantive. And it's positive. The question is, are we going to be able to cash in that dividend [00:06:15] by addressing seriously these underlying issues, which I've tried to set out

Denise: there? I think it's so great so that you put it out that way as a dividend, so to speak and that net gain, because there's been that dissonance. If I, if I were to put it that way in the [00:06:30] sort of political discourse around, especially the energy transition. And I wonder, in fact, if you have any foresight as to where as to certain sectors or areas where we expect to see that net gain?

Ryder: Well, let's go [00:06:45] to the energy sector because I think particularly in the light of what's going on in energy markets right now, It's attracting people's attention.

So I'll go to those figures I gave you globally. If you translate those into the energy figures, we reckon, uh, by 2030. [00:07:00] 25 million new jobs available in the energy sector with a loss of about 7 million jobs as well. So again, a net gain. And what's interesting here is if you dig a little bit deeper into the energy transition, [00:07:15] what you see is that the job creation potential very much in the field of medium skill occupations skills, which are quite broadly available.

Quite easily transferable from one place to the other. And I think that [00:07:30] this gives us at least some indications that there's real positive potential in the energy sector to cash in this dividend. Maybe slightly more easily than in other areas of economic activity.

Shari: But that's really interesting. What you're saying is that some of these jobs [00:07:45] are easily transferable and I'm wondering about geographically.

So the jobs may be in one place now, but they may be somewhere else later. And so how are you seeing this transition happen? How do you build that bridge between the two

Denise: geographically? [00:08:00] Well,

Ryder: I think to answer your question there, you've got to go back to the prior policy question now, you know, it might be, and it's, I think of the legitimate aim of public policy.

To say, okay, we've got a sector here which is in difficulty and old [00:08:15] hydrocarbon sort of a hub. We need to be creating the new jobs in close proximity because, you know, people ain't that mobile. So take the jobs to where the people are. So, you know, that's one consideration when you consider the, the geography of [00:08:30] job loss and job creation, it might be an objective of public policy to, to keep people where they are and take the jobs to them.

On the other hand, you know, I don't think we should believe that this is going to be a situation in which [00:08:45] high skill jobs will remain. Only in the advanced countries. I think there was a tremendous opportunity if we can get the technology transfers, right. To actually take high skill jobs, high added value

jobs to the developing world, because you [00:09:00] know, the potential in the field of renewables and elsewhere is very obvious in these countries.

So I don't think there is an inevitability about the job. I think there's also policy choices that will determine whether jobs will

Denise: be, yeah, essentially what you [00:09:15] foresee is perhaps a more equitable split and the new jobs being created across the industrialized nations and the developing world,

Ryder: not by default to not inevitably, but if we make it and I think this is an underlying [00:09:30] message of the just transition in a broader sense.

If we make it a conscious objective of the process, uh, to share job opportunities, to, to bring a more balanced development into their transition to carbon neutrality, [00:09:45] then the potential is very much there. And I think that the dynamics are actually amicable to that type of movement rather than the reverse.

Denise: And just honing in on, say for example, manufacturing or, you know, installation of offshore [00:10:00] wind systems, et cetera. Do you foresee those sort of roles being more found in the industrialized stations or China as an example, and perhaps even, you know, taking it across from, um, technologies into [00:10:15] agriculture and on the other industries, curious to know what your thoughts are.

Ryder: I don't think there are easy answers to it all. If you look what great potential is in, uh, for example, construction is going to be one of the areas, you know, retrofitting and construction. There's [00:10:30] enormous potential. I think for job creation, well that's location specific for obvious reasons.

Manufacturing. I think the key on manufacturing and we can talk about, you know, some particular subsets of manufacturing around your [00:10:45] renewables. But the point there I think is that there are so many moving parts today in respect of manufacturing because of COVID 19 and other things that were already going on in the world of work, that my expectation would be [00:11:00] that whatever changes come from just transition climate change action is also going to be overlaid, but.

Possible redesign of, of global supply chains in the light of COVID. There's a great deal of discussion about how. [00:11:15] For strategic reasons countries and for very good business reasons, enterprises might be considering, you

know, significantly redesigning their supply chains and therefore manufacturing locations in the light of factors, which are [00:11:30] not specifically related to, to just transition.

I think this is a really important consideration to keep in mind. Just transition will not take place in a vacuum it'll take place. I think in, uh, in, you know, a very, very volatile. [00:11:45] Policy and economic environment with plenty of uncertainties out there. And so I think we should caution against being too prescriptive in what we think is going to happen in terms of management.

Shari: Yeah, a lot of times you kind of stay in your lane, but this is, you know, [00:12:00] my lane might be just thinking about the impacts of emissions on the supply chain, but really the supply chains there's so much going on right there, that there is an enormous transformation outside of the energy transition. And so along those lines, it does make me wonder [00:12:15] kind of the intersection that we've seen in the news so much has been around, you know, the supply chains with solar.

And I'm wondering if you kind of see where some of these might happen again. Like if you were to think about the supply chains in some of the energy transition sectors, the emerging [00:12:30] sectors, where might you see some of the similar labor issues that people may not be thinking about right now that they should keep an eye on.

But

Ryder: if you, I mean, if you look at the global renewable energy workforce today, one third of them are working in the [00:12:45] solar and photovoltaic, uh, sector. So that's some 4 million people. 60% of those 4 million are located in China. So, you know, there is a massive concentration and if you take it from the production side, you get the [00:13:00] same story, a very strong concentration, uh, of solar panel production, the components that go into them in China.

Now, of course, I guess the reflex tendency there will be to say, well, okay, there's obvious reasons for that. You know, [00:13:15] labor costs are relatively, um, uh, competitive in China. The sorts of infrastructure around trader are all in place, logical place to go. But I think the other point that needs to be kept under consideration is that this didn't happen by [00:13:30] accident.

China's very heavy presence in the solar industry. Is a direct and I think traceable consequence a very deliberate industrial policy, going back to the

1990s and maintain since then, [00:13:45] it was very prescient in doing this to place itself, strategically in respect of the solar, the solar industry. I suspect you could think of other examples where they've behaved.

Similarly, the question I think now is if that's now going to be diversified, if we're [00:14:00] going into. A broadening of production processes. I mean, the figures that we have for, for last year shows still that other than China extra capacity was pretty much concentrated. Vietnam, India, [00:14:15] public of Korea, Japan. So you can sort of see a pattern there, but I think would be very interesting to see him to speculate on what's going to happen next.

Denise: Guy, I read with interest to the report that you put out recently alongside the [00:14:30] International Renewable Energy Agency Arena. And one thing that really struck me, you talked about in particular, recognizing that women who suffered more from the pandemic, because potentially work in sectors, more vulnerable to [00:14:45] economic shocks, et cetera.

It wasn't mentioned around, of course, adjust, transition, requiring a workforce that is diverse, et cetera. And I'm wondering, in fact, that in this particular area, what kind of, um, you know, [00:15:00] standards or, um, collective bargaining arrangements, are you seeing that, that you deem crucial? Yeah. Particularly within the renewable energy sector.

Ryder: I think it's important to understand the extent to which women have been [00:15:15] disproportionately hit by what's happened in the last 20 months during the COVID pandemic. They were displaced from their employment in very much larger numbers than their male counterparts, what we [00:15:30] saw as well. And then that was for various reasons.

One is because, you know, their employment was somewhat less secure. Uh, because of their segregation and labor market. Secondly, because they're expected to take up care, care responsibilities [00:15:45] when schools and educational facilities closed down. And the worrying thing is they're not going back. They're going back to work in fewer numbers of males.

So it's starting from a difficult place. Now, if you look more specifically at the implications of just [00:16:00] transition and again, this is about conscious design. I mean the just trends. Needs to be designed. And we're talking about conscious design here enable a, to enable an improvement of the position of women in, in, in labor [00:16:15] markets disadvantaged in multiple, uh, in multiple regards.

Now it's a good news. If you do divide the world up and probably it's, it's not an entirely accurate way of doing it between the old dirty jobs and the new clean jobs. And I repeat, I'm not [00:16:30] sure it's the right way to do it because. We should be talking about greening existing jobs, but women are not heavily represented.

In some of the sectors are going to be the hardest hit. I mean, if you think of a hydrocarbon industries, it's not where you find large [00:16:45] numbers of women. So we might have a following wind here in the sense that some of the activities that are going to become more prominent might be more favorable to, and closer to where women already are.

But I think it's really important as well that we [00:17:00] take a global perspective on your gender question. You know, if you look at the developing world and the emerging world where informal employment predominates in many countries, women's place in the informal economy is also very pronounced, very [00:17:15] present, often concentrated in.

The most difficult areas of the informal economy. We have to adjust, transition, reach those people, working women in the informal economy and in agriculture. And this is extraordinarily important.

Shari: Yeah, and this [00:17:30] kind of leads me into another question that I have just about successful retraining programs.

You know, we keep asking about retraining and geography moving around, et cetera, but, and I know you've made the point that sometimes greening will happen in the very same facility. So there's not always a [00:17:45] difference. There's not always a job change or a geographic change where there is. Could you give an example of a, of a successful retraining program or where you saw something that could be applicable to the just transition.

Ryder: I think that takes us back to perhaps [00:18:00] some more familiar territory in terms of the, where, where of the good things been observable, you know, there was a great fit. In terms of skills between old hydrocarbon industry, heavy hydrocarbon industry and [00:18:15] offshore wind facilities. So some of the, and you might say, this is the easiest sort of transition to, but there are some great examples.

Denmark is a super example. Then sometimes forgotten demo remains the largest oil [00:18:30] producer in the European union, but that's some great examples of. Of Denmark moving people out of the oil and gas industry into

offshore as a viewer, getting Joplin is a super example of that. And it's a [00:18:45] mixture, both of retraining, which you know, is what your question goes to, but locating training and reskilling processes within an industrial strategy within a sectoral strategies.[00:19:00]

I think we should get out of the notion that all you have to do is take, you know, worker X or worker Y uh, and retrain them in skills that are likely to be helpful in the future. These things need to be integrated in a [00:19:15] clear industrial strategy. And we've seen that just in Denmark, as I've mentioned. Uh, we've seen them in Germany.

We've seen it happening in Spain and the old coal industry and our story. Yes. Um, and there's plenty of other instances that might be [00:19:30] mentioned now. I think the question that arises here apart from integrating skills. With other dimensions of industrial strategy and transition strategy. The other piece is, well, who's going to pay for all of this whose responsibility is all of this [00:19:45] now?

Is it the business, uh, concerned? Uh, is it the state is at the individual worker and simplistic as it might sound. I think the only sensible answer is that this is a shared responsibility. Particularly of industry and government. And we've seen, [00:20:00] you know, again, numerous examples, I would say where governments have stumped up considerable amounts of funding to make these processes work.

So in Canada, you've got the coal workforce transition program in Alberta. [00:20:15] 40 million Canadian dollars worth of public funding. And we could take coming back to Europe, the European unions, just transition fund, which provides grants to regions has put up 17.5 billion [00:20:30] euros from now up to 2027, uh, South Africa in similar terms.

So I do think it's a case of combined. The immediate needs of re-skilling with broader public policy objectives and getting these [00:20:45] partnerships between government and the private sector into place,

Denise: Which makes sense, because it is effectively the glue that will bring the waste pieces together. Is that training angle.

So to end [00:21:00] our session today, which has been really incredible. What would you wish if you had the chance to wish for something that could facilitate the smooth workforce transition to a low carbon economy? What would that be?

Ryder: Yeah, I [00:21:15] think it would be great if countries are. Hopefully improving their ambitions in terms of their so-called nationally determined contributions to climate change action.

If they take the step [00:21:30] of integrating into their nationally determined contributions, very specific, very experts at, I should say, plans for just transition. You know, two years ago, the secretary general of the United Nations set up with the. [00:21:45] Uh, climate action for jobs, a program by which now a total of 48 countries have committed to do just that, that is to say, to build, just transition into their national strategies.

You know, my fairy [00:22:00] godmother couldn't go. Good wave. And double that figure, take it up to a hundred countries, raging, just transition. And I think a tremendous basis of which to give substance to all of these [00:22:15] admittedly complex, but in the end necessary and promising processes of just transition, which is so important to make climate change action work, because I think in the end, It sounds a strange thing to say when we're facing [00:22:30] existential crisis, but societal license to move ahead in these areas does depend on the public being convinced that in their, you know, their everyday working lives, there'll be able to maintain a standard of [00:22:45] living.

There'll be able to make a livelihood. You know, get to the end of the month before we get to the end of the world. If we can make all of that happen, then I think would have taken a very important step for,

Denise: I think it was so very well pets. And I liked that get to the end of the [00:23:00] month before we get to the end of the world, bringing it back to the everyday person.

And I think. And itself is where the success that we've seen so far in this dialogue has taken place is having it be accessible [00:23:15] to everyone. And so with that, I thank you very kindly guy. It's been amazing to have you. Thank you very

Ryder: much. Thank you very much. Thanks for the conversation.

Denise: Thanks to all our listeners for joining us.

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