Global Accelerator on Jobs and Social Protection for Just Transitions

THEME:
Jobs and Just Transition

Executive summary

Integrated policy and financing frameworks are needed to achieve just transitions. The transitions toward a greener and more digital economy involve a paradigm shift toward more inclusive and sustainable societies. This shift necessitates a more holistic approach and works across different disciplines and thematic areas. The transitions come with a large potential for job creation and social and economic gains, but proactive measures are needed to ensure that these transitions leave no one behind and that they do not come at the expense of known risks and negative effects that fall disproportionally on the most vulnerable.

Moving from words to action – managing the transition towards job-rich and sustainable economies requires a strong social consensus, supported by institutions and inclusive processes. Managing change requires coherent and agile governance systems and strong institutions. A strong partnership is needed to achieve social consensus that enables an inclusive social and economic transformation, underpinned by legislative and regulatory reforms and their enforcement. Institutions at both national and local levels therefore must acquire new capabilities to lead and enable an inclusive process of change and stakeholder engagement.

Just transitions require leadership and collaboration across sectors and partners. While the urgency for change is often demonstrated in words, less political leadership has been shown in action. Also, the necessary cooperation needed for holistic solutions is often crippled. Despite the efforts to enhance collaboration, many organizations are working in silos. This contributes to the piecemeal approach towards the ongoing transformations and blurs the view from the holistic solutions needed.

Priority actions:

- Conduct a **policy gap analysis** as a basis for the Global Accelerator to address the implementation deficits in relation to just transitions at the country level. This includes developing inclusive and gender-responsive **economic transformation roadmaps** to facilitate change for all, in particular vulnerable groups, that review hindrance, and underlying marginalization factors, and ensure that key topics such as decent employment, digital inclusion, social protection, climate, energy, and green economy policies are not developed in silos. In this context, instruments like employment budgeting and mainstreaming of ICT/digital accessibility in national policies and strategies will be critical to enable socio-economic empowerment. Integrated industrial policies will also be pivotal to maximizing synergies and minimizing trade-offs across the different dimensions of sustainability.

- Conduct a **financial health check** on the above-mentioned policies and **develop Integrated National Financing Frameworks (INFFS)**, including subsidy repurposing, social/green bonds, debt restructuring, and progressive taxation, to ensure that the accompanied programmes are budgeted and financed.

- Ensure the provision of tailor-made and demand-driven technical assistance to support national and local authorities in their efforts to design and implement the transformation roadmaps.

- **Strengthen the capacities of key national/cross-sectoral/local stakeholders** (from the public and private sectors) to anticipate, monitor, and respond to change in a systematic way.

- Strengthen social dialogue to help to construct a **strong social consensus** that acts as a driver for sustainable, inclusive, fair, and rapid transformation.

- **Identify political champions and provide a platform** to facilitate peer-to-peer exchange that can enable leapfrogging in terms of policy and technical innovation for just transition.

- **Engage the newly established high-ambition coalition to lead the way** also in the efforts to facilitate just transitions, and ensure coordination, harmonization, and value addition within UN agencies and related initiatives.

- Develop fact-based and data-driven monitoring and evaluation mechanisms to keep track of all the priority actions.

Background

The world is facing a historic challenge of transforming its economies towards a more sustainable and inclusive development path. To meet the current development challenges, a paradigm shift is needed to move away from the current marginal changes in sectoral programmes towards more holistic and transformational changes. On the economic side, least-developed countries (LDCs) are in a dire need of **structural transformation**, both within sectors as well as across sectors, generally from low-productivity unsustainable agricultural practices towards more productive alternatives, including in manufacturing through inclusive and sustainable industrialization, to eradicate poverty and achieve the goal of decent and productive work for all people, in particular vulnerable groups. In emerging economy contexts, the challenge of transformation entails moving from carbon-based and fossil fuel-dependent economies towards new sources of energy and more sustainable production mechanisms. While structural transformation entails a large potential for social and economic gains, proactive measures are needed to ensure that this transition leaves no one behind and that it does not come at the expense of known risks and negative effects that fall disproportionally on the most vulnerable.

Simultaneously with the inherent push for structural transformation, countries are confronted with the ongoing effects of **climate change** that is altering the landscape in which structural transformation takes place, ruling out previous routes to economic prosperity while creating possibilities for better and cleaner alternatives. Action to combat the impact of climate change through adaptation and mitigation measures or a general greening of the economy, including the industrial sector, can potentially create millions of jobs – but this requires dedicated policies and rapid and bold measures to invest in people's capabilities to realize their full

potential and contribute to the productivity of enterprises[1]. However, the world is currently not on track to manage the transition, but instead, the global CO2 emissions have roared back following a decline in 2020 when economic activity was restricted[2].

In addition, the recent **COVID-19 pandemic** and ever-more unstable geopolitical developments have highlighted the fragility of current development patterns. As a result of the pandemic, poverty increased for the first time in decades, and the absence and insufficiency of social protection was blatantly revealed. Working-hour losses were particularly high in Latin America and the Caribbean, Southern Europe, and Southern Asia, and in total the working-hour losses in 2020 were approximately four times greater than during the global financial crisis in 2009[3]. The pandemic also highlighted the indispensable contributions of workers in poorly paid and low-valued jobs such as in elderly care. SMEs as well as informal and digitally backward firms were disproportionately affected. Countries with strong industrial capabilities and digitally advanced manufacturing firms were found to be more resilient[4]. The significant levels of government spending in the crisis response and recovery provided an immense opportunity to jump-start a "green recovery" and pave the way to a **sustainable economic transformation**, with more and better jobs. Studies by the ILO and Partnership for Action on Green Economy (PAGE)[5] partners (UNEP, UNDP, UNIDO, UNITAR) indicate that a green recovery scenario with investments in renewable energies, building efficiency, and green transport would add some 20.5 million jobs in 2030, while previous research shows that most sectors of the economy would benefit from net job creation as a consequence of green transition[6]. However, overall, a very limited share of the US$ 14.6 trillion in fiscal spending announced by the fifty largest economies in 2020 – an estimated US$ 368 billion – was considered "green"[7].

At the same time, the pandemic has provided lessons for managing shocks that pave the way for a more inclusive **digital transformation**. Information and communication technologies (ICTs) changed the way we work, learn, and make our social interactions. The development of digital work and innovations started prior to the pandemic and will define the nature of development also in the future[8]. Digital platforms may create new job opportunities, but they could also lead to the precarization of jobs, or amplify pre-existing inequalities and unsustainable behaviour if the right legal and institutional framework is missing. For example, the processes of digitalization and automation of industrial production can be expected to accelerate, as robot density already tripled in the last ten years[9], and as the fourth industrial revolution advances at different speeds[10]. Going forward, reaping the fruits of digital transformation will need to be coupled with green, just new business models and value

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[1] ILO (2019), Skills for a Greener Future: Challenges and Enabling Factors to Achieve a Just Transition, Skills for Employment Policy Brief.

[2] IPCC (2022), AR6 Synthesis Report: Climate Change 2022.

[3] ILO (2021), ILO Monitor: Covid-19 and the World of Work, 7th Edition.

[4] UNIDO (2022), Industrial Development Report (IDR): The Future of Industrialization in a Post-Pandemic World.

[5] PAGE (2021), Modelling a Global Inclusive Green Economy COVID-19 Recovery Programme.

[6] ILO (2018), World Employment and Social Outlook: Greening with Jobs.

[7] UNEP & Oxford Smith School (2021), Are We Building Back Better? Evidence from 2020 and Pathways for Inclusive Green Recovery Spending.

[8] ILO (2021), Skills Development in the Time of COVID-19: Taking Stock of the Initial Responses in Technical and Vocational Training and Education.

[9] UNIDO (2022), Industrial Development Report.

[10] UNIDO (2020), Industrial Development Report.

creation, and require ensuring that ICTs and digital technology consider the needs of all their intended users to access and use ICTs, and ensure that they are available, affordable, and accessible for all, including migrants and people with disabilities, indigenous people, and older persons, and that everyone is equipped with relevant digital skills to grasp the opportunity[11]. Still today, millions of people experience financial, legal, and practical barriers to accessing technology. Access to information and communication to all people is not only a human right but critical to ensure that we are all part of digital societies and economies. To achieve the overarching goal of digital inclusion of all people without discrimination of age, gender, location, or ability to use technology, mainstreaming ICT/digital accessibility is fundamental[12]. In this context, it must also be noted that the processes of digital transformation and a green transition are complementary. Evidence shows that digital transformation processes can enhance environmental protection and foster climate change adaptation.

In addition to transitions in the economic and environmental fundamentals, **demographic changes** are also reshaping the landscape for future development. Today, the world is more heterogeneous in demographic terms than it has ever been. While some of the poorest countries still have high rates of population growth and a relatively youthful population that is entering working age, others have slow or no population growth and a relatively old population, which is leaving the working age. In addition to population aging, a growing number of countries are experiencing population decline. Furthermore, while the number of international migrants remains relatively small, measured as a share of the world population, international migration has increased at a rapid rate. These demographic changes add up to major challenges to social protection systems, in addition to the structural changes required for greener and more inclusive economies. Providing productive employment to the youth bulge entering the labour market every year in countries with a young population, while ensuring that the earnings of workers in countries with aging populations are sufficient for a greater number of dependents presents a formidable challenge. Migration is and will be indispensable to meet the complex global and intra-regional labour market and societal transformations aging brings – including in countries in the Global South. Migrants contribute to the welfare system of the receiving country through their labour which translates into social benefits for the whole population. When returning to their countries of origin, migrants invest their savings and pensions in the local economy and form networks that lead to the development of business and service opportunities. The skills and knowledge of migrant workers can fill key labour market needs in the transition to a green economy, whilst supporting the training and re-skilling of local communities in emerging economic sectors. While migration for the purpose of work has led to opportunities for many to forge safe and meaningful lives, migrants are also more likely than others to find themselves in abusive or exploitative work environments. Migrant workers for instance are overrepresented in the riskiest occupational sectors, value and supply chains, and industries, such as mining, logging, agriculture, and construction. Within countries and across industries and sectors, some groups of the population, such as migrants or women, face significant pay gaps. When well-managed, migration can be both a development strategy and a development outcome.

Integrated policies are indispensable to managing this myriad of ongoing parallel transformations across economic, climate-related, digital, and demographic spaces. This

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[11] ILO (2021), Changing Demand for Skills in Digital Economies and Societies: Literature Review and Case Studies from Low-and Middle-Income Countries.
[12] ITU (2022), ICT/Digital Accessibility

implies comprehensive national policy frameworks such as National Employment Policies that support the integration of job creation in other key policy areas, including skilling, industrial and sectoral policies, enterprise development, and social protection, all underpinned by effective social dialogue, inclusivity, policy, and institutional coherence. The ILO [Guidelines for a Just Transition Towards Environmentally Sustainable Economies and Societies for all](#)[13] provide a comprehensive framework, developed on a tripartite basis by representatives of governments, workers and employers. In Our Common Agenda, the UN Secretary-General called on all countries to embrace the ILO Guidelines and adopt them as the minimum standard to ensure progress on decent work for all.

Outcomes

A just transition can potentially create millions of green and decent jobs and bring about socio-economic development and prosperity for many. To achieve this target, efforts of all involved stakeholders are required to jointly build integrated and inclusive, and gender-responsive policies, strategies, and processes to ensure that social justice is hardwired into economic, social, and digital policies[14]. For instance, ensuring affordable access to energy for households and businesses is essential for economic growth and a just transition. Integrated energy and social programmes can play a key role in protecting people from energy poverty, stimulating job creation, supporting food security and nutrition, and enabling households to cope, absorb, and bounce back from shocks. Managing such change requires coherent and agile governance systems, and strong institutions that create a conducive and inclusive environment and provide incentives for just transitions. Thus, **integrated policy and financing frameworks are needed to achieve just transitions.**

Achieving a just transition and major development goals requires climate investments and access to sustainable energy. Linking jobs, livelihoods, social protection, climate action, and energy access is critical to ensure No One is Left Behind. This combined approach can provide an effective mechanism for climate change mitigation, adaptation, and delivering clean, affordable, and sustainable energy to people living in poverty, ensuring access to health and pathways to rebuild agriculture-based livelihoods, including promoting decent work for affected communities and refugees. Such combined interventions can have a multiplier effect. For instance, equitable and fair transitions to environmentally and socially sustainable economies, including providing access to clean energy, water, sanitation, and housing, can drive job creation and poverty eradication and reduce the climate risk to children.

Strong partnerships are needed to achieve social consensus that enables an inclusive social and economic transformation. Without social cohesion and continuous dialogue with different socioeconomic groups in the society, the transitions ahead may lead to civil unrest and reforms may face strong resistance from groups who feel left aside. Strengthening social dialogue, including by involving representatives of governments, workers and employers, and other civil society and social actors, including representatives from women, youth, and persons with disabilities, will be a key aspect of anchoring policy choices and capturing ideas

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[13] ILO (2015), [Guidelines for a Just Transition Towards Environmentally Sustainable Economies and Societies for all](#).
[14] [ITU Resources](#) in developing inclusive ICT accessibility policies: [Model ICT Accessibility Policy Report](#) and [ITU Toolkit and Self-Assessment for ICT Accessibility Implementation.](#)

and priorities of stakeholders involved. Such dialogue and consecutive reform agenda need to be underpinned by legislative and regulatory reforms and their enforcement. Institutions at both national and local levels therefore must acquire new capabilities to lead and enable an inclusive process of change and stakeholder engagement. This includes capacities to ensure procedural rights including access to information, meaningful participation in, and access to, recourse and justice. To move from words to action, managing the transition towards job-rich and sustainable economies requires a strong social consensus, **supported by institutions and inclusive processes.**

While the urgency for change is often demonstrated in words, less political leadership has been shown in action. Also, the necessary cooperation across thematic areas and organizational arrangements needed for holistic solutions is often crippled. Despite the efforts to enhance collaboration, many organizations are yet working in silos. This contributes to the piecemeal approach to the ongoing transformations and blurs the view from the holistic solutions needed. UN agencies can use their collective convening power to overcome these coordination failures to a whole-of-government approach, but first, there must be effective ways to overcome the UN's internal coordination challenges. **Just transitions require leadership and collaboration across sectors and partners.**

Principles of country-level action

Given the interrelated and mutually reinforcing nature of the expected transitions, activities under this thematic area should focus on supporting pathfinder countries to create decent and productive jobs for just transitions. This support should be articulated at the national policy level, at the sectoral level, as well as through programmatic interventions. More specifically, activity areas at the country level include:

- Conducting a **policy gap analysis** as a basis for the Global Accelerator to address the implementation deficits in relation to just transition at the country level. This includes developing inclusive and gender-responsive **economic transformation roadmaps** to facilitate change for all people, in particular vulnerable groups, that review hindrance and underlying marginalization factors such as intersecting forms of inequalities, and ensure that key topics such as decent employment, digital inclusion, social protection, climate, energy, and green economy policies are not developed in silos but are holistically addressed to ensure they are mutually integrated and aligned with the overall sustainable development framework of the country[15]. Policy and decision-makers should consider ICT/digital accessibility requirements, standards, and universal design principles, to enable equal and equitable empowerment through technology and digital inclusion for everyone, regardless of gender, age, or ability to use the digital technologies.

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[15] This includes that coherent employment and social protection policies are in place and work as an automatic stabilizer in times of crisis to ensure that all people, including those in vulnerable situations, are included; that an effective legal and institutional framework protects the most vulnerable and creates incentives to ensure equal and equitable opportunities for all people including persons with disabilities, migrants, and illiterates, for a just transition process in both the formal and informal sectors, with a strong focus on gender equality, women, social economy, and youth empowerment; and that there are inclusive and interoperable digital systems in place to support incentive and benefit transfers to citizens.

- Conducting a **financial health check** on the above-mentioned policies and **develop INFFS,** including subsidy repurposing, social/green bonds, debt restructuring, and progressive taxation, to ensure that the accompanied programmes are budgeted and financed. Effective financing framework and an enabling macroeconomic environment are prerequisites to respond to the urgency and scale of the challenge by redirecting, mobilizing, and scaling up the availability of domestic and international financial flows to address the triple planetary crisis (climate, nature, and pollution) and triple economic crisis (unemployment, inequality, and stagnated growth) and ensure that needed information and communication technologies, including digital technologies, are made available, accessible, and affordable for all. While the public sector will be crucial in reaching the ones being left behind, private sector actors will play a key role in the overall bearing capacity of the system[16].

- **Strengthening the capacities of key national/cross-sectoral/local stakeholders** (in particular decision-makers from the public and private sectors) to anticipate, monitor, and respond to change in a systematic way, and be knowledgeable to design and implement e.g. inclusive and gender-sensitive social protection and employment policies, policies to enhance industrial capabilities, and thematic national and regional programmes including through skills strategies for climate resilience, green economy, and mainstreaming a whole-of-society digital transformation based on national or sectoral Digital Readiness Assessments to ensure that all people are included in this transition process.

- **Ensuring the provision of tailor-made and demand-driven technical assistance** to support national and local authorities in their efforts to **design and implement the economic transformation roadmaps** benefiting from good practices, lessons learned, and on-the-ground experts.

- **Strengthening social dialogue**, including by involving representatives of governments, workers and employers, and other civil society and social actors, including representatives from women, youth, and persons with disabilities, to help to construct a strong social consensus that acts as a driver for sustainable, inclusive, fair, and rapid transformation.

- **Identifying political champions/countries** to raise awareness, promote, and incentivize implementation of similar actions through key thematic regional and global events, and developing and providing a platform to facilitate sharing good practices and challenges for peer-to-peer exchange that can enable leapfrogging in terms of policy and technical innovation.

- **Ensuring coordination, harmonization, and value-addition** within UN agencies and related ongoing UN and partner initiatives are key to engaging the comparative advantages of the respective institutions towards the common goal. Coordination frameworks such as INFFs, [Climate Action for Jobs,](#) [PAGE](#), the Sustainable Energy Hub, the

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[16] For instance, such an interplay will be needed to support the digital transition where governments can facilitate mainstreaming ICT/digital accessibility in all digital products, services, and applications made available in key socio-economic sectors in the existing digital ecosystems, while the private sector, when given the opportunity, can attract more end-users by making their products and services inclusive to all and by doing so also increase their business value.

Coalition for Digital Environmental Sustainability, and the Global Crisis Group for Energy will be key to achieving impact. These initiatives strengthen integrated approaches led by inter-ministerial coordination mechanisms supported amongst others by UN agencies.

- **Engaging the newly established high-ambition coalition to lead the way** also in the efforts to facilitate just transitions. Facilitating joint programming and leading by example can be ways to push the transformation.

- **Developing fact-based and data-driven monitoring and evaluation mechanisms** to keep track of all the priority actions.

Supporting documents/publications

- ILO – Greening with Jobs – World Employment and Social Outlook (2018)

- ILO – Global Employment Trends for Youth 2022 – Transforming futures for youth

- ILO – Skills for a Greener Future: A Global View (2019)

- ILO – The Green Jobs Assessment Institutions Network (GAIN)

- ILO – Global Call to Action for a Human-Centred Recovery from the COVID-19 Crisis (2021)

- ILO – Transitioning to the Formal Economy through Technology, or E-Formality

- ILO – Changing Demand for Skills in Digital Economies and Societies: Literature Review and Case Studies from Low-and Middle-Income Countries (2021)

- ILO – Guidelines for a Just Transition Towards Environmentally Sustainable Economies and Societies for All (2015)

- IOM – Integrating Migration into Employment Interventions (2022)

- ITU – ICT/Digital Accessibility Resources (guidelines, toolkits, trainings, thematic reports)

- ITU – Digital Skills Toolkit (2021)

- PAGE – Modelling a Global Inclusive Green Economy COVID-19 Recovery Programme (2021)

- UNDP – Digital Readiness Assessment Framework

- UNEP & Oxford Smith School – Are We Building Back Better? Evidence from 2020 and Pathways for Inclusive Green Recovery Spending (2021)

- UNEP, UNDP et al. – Action Plan for a Sustainable Planet in the Digital Age (Coalition for Digital Environmental Sustainability) (2022)

- UNIDO – Industrial Development Report: The Future of Industrialization in a Post-Pandemic World (2022)

- UNIDO – Industrial Development Report 2020: Industrializing in the Digital Age (2020)

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