

Northern Ontario Circular Economy Symposium

Labour Scenarios for the Future



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Executive Summary

On January 19, 2021 speakers from Canada and abroad came together to speak about current and future opportunities of a circular economy in Northern Ontario. A circular economy refers to a system that reduces waste by reusing material in the creation of new products.

Ana Belén Sánchez, who is a Green Jobs Specialist at the United Nations International Labour Organization discussed the circular economy in the context of labour. From her presentation, several key considerations arose:

→ Green jobs are not only decent jobs, but they involve safe working conditions, social protections, respect of social dialogue and workers' rights, and that these jobs are created in all sectors of the economy.

→ Climate change and related policies will impact jobs and productivity so industry adaption is needed. What that means is that green economy and circular economy measures will involve changing methods of production across sectors. This is very important for some sectors such as mining, manufacturing, energy, transport, agriculture.

→ The ILO created a scenario where there was an annual five percent increase in the circular economy (e.g. five per cent more plastics, glass, wood pulp, metals, and minerals recycled, and those new recycling materials will replace the direct extraction of primary resources). Based on this scenario, there were significant job impacts. While 78 million jobs would be created, there is a risk of 71 million jobs being destroyed. 49 million of the 71 million could be reallocated through rescaling programs for similar jobs. As well, 21 of the 71 million jobs will be destroyed if training for new positions in new sectors is not provided.

→ When comparing job change by sex, there are more males right now working in sectors related to the circular economy than females. This inequality will continue without policies to address that.

→ While these changes are happening, there is a critical need to ensure that workers are experiencing a just transition. Alongside making sure that workers are experiencing beneficial changes, we need to measure the impacts as well.

→ Social consensus among various actors is key.

As Sanchez explains, the circular economy has a direct impact on quality and division of labour. With air pollution becoming worse, workers are being exposed to health problems. Hotter temperatures are also leading to heat stress on workers. With so many jobs being reliant on ecosystems, people are losing their jobs as the world is losing its key ecosystems. Natural disasters are another cause of death which could impact labour output. Building and sustaining a circular economy is necessary to combat the effects of climate change and protect our workers. It creates jobs but it also ensures that people are working in healthy, equitable conditions.



Green Jobs Specialist
from International Labour
Organization (ILO)

Ana Belén Sánchez is an agricultural engineer with a Master's degree in renewable energy and energy market from the School of Industrial Organization. She also holds a Master's degree in Agricultural Economics from the University of London. She is the green jobs specialist for Latin America and the Caribbean at the International Labor Organization (ILO) based in Mexico. Previously, she was Coordinator of the sustainability department of Fundación Alternativas in Spain and Climate Change Specialist at the ILO HQ's in Geneva. In recent years, she has worked on the green jobs, climate change, energy and sustainability agenda with different organizations for Greenpeace, Unicef, ISTAS and ECODES and others.

Purpose

This commentary was transcribed from a presentation Ana Belén Sánchez gave on January 19, 2021, at the online Northern Ontario Circular Economy Symposium event. The editor has adapted some of the text for the sake of structure and narrative. The presentation is viewable on ParlAmerica's YouTube channel.

The event aimed to explore current and future opportunities of a circular economy in Northern Ontario, which refers to a system that “aims to gradually decouple growth from the consumption of finite resources” (Ellen MacArthur Foundation n.d.) — in other words, reducing waste by reusing material in the creation of new products. By doing so, we can create more self-sustaining communities, produce more jobs, become our own supply chain, and reap benefits across Ontario's northern regions.

“ In the end, the term ‘circularity’ may just be one way to make us aware that we need a more encompassing, integrated and restorative sustainability path that includes people as much as technology and nature. ”

- Michiel Schwarz, A Sustainist Lexicon



Labour Scenarios for the Future

My presentation is going to show the relation between the issue of the circular economy and how this is related to green jobs, as well as the concept of gas transition that we at the ILO have been working on and defending for a number of years already. The ILO is part of the United Nations system, but we are unique because we are the only tripartite agency of the UN. That means that our constituents are governments, employers, and workers, and the three of them work together to reach consensus, so all decisions and all of our work are based on social dialogue, which is when governments, employers, private sector workers, and labour unions work together and reach agreements.

Our main goal is to establish labour standards at the global level, formulate policies, and develop programs to promote decent work for all for women, for men, for urban economies, for rural economies, for migrant populations, for Indigenous people, for absolutely everybody. So the main objectives of the ILO are to promote labour rights, promote decent work opportunities, improve social protection because many people in the world don't have any access to social security, for example, to pensions or to unemployment benefits in Latin America and the Caribbean. For you to have an idea, about half of the working population doesn't have any access to any of the areas I mentioned. Finally, we focus on the strengthening of social dialogue.

I would like to explain a little bit about the nature and scale of the impacts of decent work and the circular economy. So before going into a little bit more discussion about that, let me explain the definition of green jobs. First of all, they are decent jobs. This is particularly important for us, because we can't expect that any job that is created as a result of an environmental policy can be called a green job — it also needs to be a decent job. Those are jobs which provide decent wages that allow workers to pay for themselves and for their families' needs. Second, there are safe working conditions — so, no accidents, no illness at work. Third, social protection — again, pensions and employment benefits, health services, et cetera. Finally, respecting social dialogue and workers' rights — this is very important, because in some countries there are no workers' rights.



Green jobs are also decent jobs that are created in all sectors of the economy — agricultural, manufacturing services, and so on. Within these sectors, these jobs improve energy and grow material efficiency; limit greenhouse gas emissions; minimize waste and pollution; protect and restore ecosystems (biodiversity protection); support adaptation to the effects of climate change; and promote a circular economy.

There are ways in which labour and the environment are linked. The first way is air pollution. It is particularly high in many cities. It reduces productivity and working hours mainly in urban areas, produces chronic respiratory diseases, and, as you know, there is a greater risk of getting COVID-19 in contaminated areas, so this is not only bad for employment but also for our health.

The second is climate change. There is a very strong link between heat stress and jobs. According to the studies that my colleagues undertook a couple of years ago, the equivalent of 72 million full-time jobs will be lost by 2030 because of the higher temperature of climate change.

Third is the loss of biodiversity and damage to ecosystems — 1.2 billion jobs depend directly on ecosystem services. The pharmaceutical industry, for example, depends on water and biodiversity inputs and all those depend directly on ecosystem services, and, as you all know, biodiversity losses have a direct impact on all these jobs that depend on them.

The fourth is natural disasters, which are increasing at the global level. Twenty-three million working-life years were lost to disasters since the year 2000 and the number unfortunately is growing.

Finally, something important to mention that might not be relevant for Canada, but is very relevant for Latin America and the Caribbean, is that informal employment acts as an obstacle to compliance with environmental regulations. In many countries, some workers don't have a contract, don't have a formal relation with their employer.

With the above in mind, how are the green economy, the circular economy, and climate change related to this work in terms of positive and negative impacts? We have some positive impacts which are very important — some of the other speakers have already referred to doing good things in terms of the environment. There will be new jobs created, there will be new enterprises, innovation, new grid products and services, greener places such as the case of hospitals that we have heard from Dr. Bota. As well, our infrastructure will be more resilient, which is, of course, good for our value-chain development.

“ 72 million full-time jobs will be lost by 2030 because of the higher temperature of climate change. ”



But we can't forget that climate change and policies to address climate change and the green economy will impact jobs as well, and there will be some sectors that need to be adapted, otherwise there will be job losses. And there will be losses in some sectors, such as fossil fuels. Climate change will also have a very important impact on productivity. Furthermore, there are occupational health and safety impacts, and conflicts over resources are growing all over the place.

What that means is that green economy, circular economy measures will involve changing methods of production across sectors. This is very important for some of the sectors that have already been mentioned, such as mining, manufacturing, energy, transport, agriculture — all of them are going to experiment, with many important impacts on the jobs that are created in those sectors. That's important for greenhouse gas emissions and for natural resources use, which is important for the circular economy and biodiversity. The measures that are needed will change these industries profoundly. They need to adapt, they need to change, and those changes will bring many changes for jobs.

The ILO published a report a year ago that looked at a scenario where the circular economy increased at the annual rate of five per cent. So there will be five per cent more plastics, glass, wood pulp, metals, and minerals recycled, and those new recycling materials will replace the direct extraction of primary resources. We wanted to know what could happen with employment. Based on the scenario, 78 million new jobs will probably be created only with this five per cent annual increase of recycling, but there will also be the risk of job destruction for a high number of workers — 71 million jobs (see Figure 1 on next page). What we know out of these numbers is that 49 million of those jobs could be reallocated. Of course, we will need some rescaling and upscaling programs to relocate within the same occupations in other industries. In addition to these reallocated jobs, there will be 29 million new jobs that will need new training, because these will be new positions in new sectors and there will be the need for new knowledge about that. Finally, 22 million jobs could be destroyed if workers are not reskilled and are able to get all these 29 million new green jobs that will be created. Based on this scenario, the impacts on the world of work are immense, and we need to understand these impacts well. And this is our point at the ILO: we need to understand well what are the expected impacts on our labour markets, otherwise it will be very difficult to address them.

“ We need to understand well what are the expected impacts on our labour markets, otherwise it will be very difficult to address them. ”

Figure 1: Potential Job Growth and Destruction based on ILO Circular Economy Scenario by 2030



Source: ILO (2019) "Skills for a Greener Future."

In terms of industry, various sectors will be primarily affected by the transition to a circular economy, some positively, others not so much. The sectors that will grow include everything related to recycling, reprocessing and repair, and reuse. Those that will probably be at risk include everything related to mining and manufacturing. Of course, this scenario does depend on the policies that are put in place at the country level, at the regional level, and at the territorial level.

Another aspect to this is sex. When comparing job change by sex, there are more males right now working in sectors related to the circular economy than females. This inequality will continue without policies to address that, otherwise we will have a green economy where we will have more males than females working, and with females with fewer opportunities to access all those new jobs that can be curated.

Let me go to the main part of what the ILO does, which is this issue of a just transition. We have to make sure that all the changes are beneficial for most workers. We need to understand the nature and scale of these impacts, so we need to measure, we need to diagnose, we need to assess how a circular economy can affect labor markets. We need to identify what are the sectors that will be positively and negatively affected. We need that because all decisions have to be taken by social dialogue with workers, with employers, with governments, and with other stakeholders at the table. We can't leave anyone behind.

Once we have this information, we have to go to social consensus, engagement with communities and local actors, of course, and tripartite social dialogue. And finally, once we have information and dialogue, we can come up with policies and measures that will make sure that social justice is the base of the transition. So we have to put in place both policies to maximize opportunities and policies to minimize negative impacts.



The ILO has guidelines for just transition, and there are four main pillars. One is for macro policies, industrial sector policies included. The second is for employment policies related to enterprises, to skills, and to labour markets. The third pillar is protection, social protection and occupational health and safety, to make sure that green jobs are also safe jobs. And then the fourth pillar is about rights and social dialogue. We need rights at work, and, as I said, we need dialogue to be very much participatory.

Finally, skills. Skills are one of the main areas of just transition policy. We need to make sure that workers have the right skills that are needed for a circular economy. On this, we found that medium-skilled occupations will require more reskilling than low- and high-skilled occupations. This means that the labor markets will need short to longer upskilling and reskilling programs, technical and vocational education, and training courses.

There are various countries around the globe with just transition initiatives. Many of them are related to energy, because the energy transition is something that is happening already. In Europe, there are Spain, France, Germany, the Netherlands, Scotland, and the Czech Republic; in the Americas, Costa Rica, Chile, Argentina, Colombia, and Canada; in Asia and Oceania, New Zealand, Australia, the Philippines, and China; and in Africa, South Africa, Ivory Coast, Ghana, Nigeria, and Senegal. In the Americas, the number is growing very fast, with climate change normally being the focus. Canada, for example, already has a just transition committee to address the coal mining impact. There is a strong focus on climate change in Africa as well, and green jobs creation around climate change impacts.



Some final ideas.

The first is that promoting the circular economy is good for the environment and good for jobs.

Second, we can't forget that, while it's good for both, a circular economy will create many changes in labour markets, and we need to identify the impacts in economic sectors and within labour markets in order to put in place those policies that are needed.

Third, a just transition approach is needed to ensure that no one is left behind, so social justice will be the basis of the changes that will bring environmental and social benefits. How? By assessing new skills, implementing green jobs programs, supporting the business community, particularly small and medium enterprises. We need capacity-building programs for those companies that don't have a very clear idea about what a circular economy is, what a green economy is, and so on. Promoting local and regional circular economy value chains is very interesting because that will create local green jobs, and those green jobs will exist at the local level whatever happens, so they can't be sent to another country.

And very importantly, we need social dialogue among workers, labour unions, the private sector, and governments to reach consensus and agreements.



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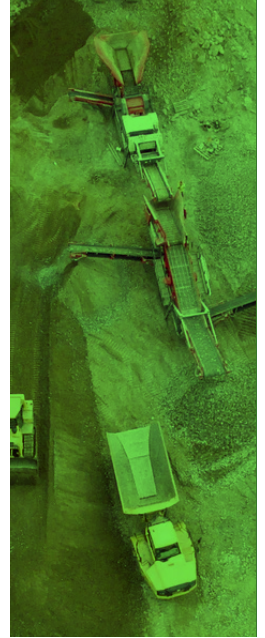
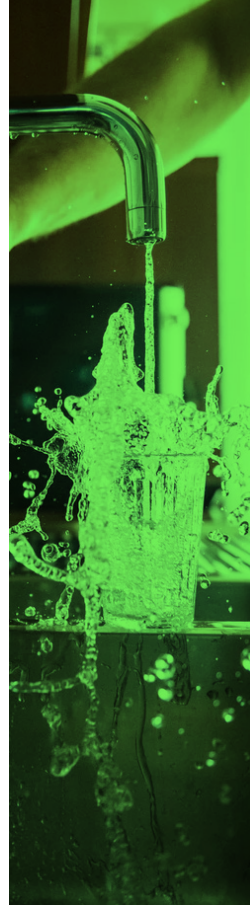
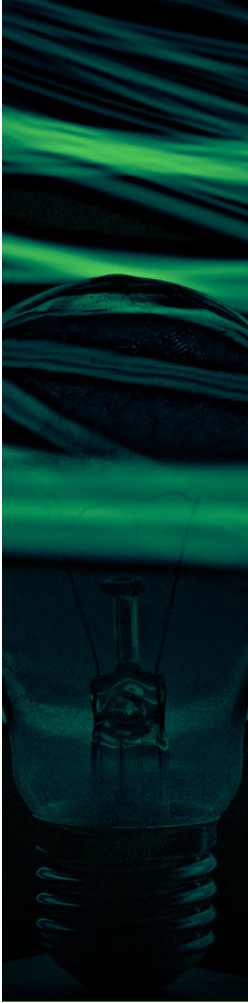
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