

Water and Capacity Development in the Transition to the Green Economy

Information brief

“Green jobs hold the promise of a triple dividend: sustainable enterprises, poverty reduction and a job-centered economic recovery” Juan Somavia, Director-General of the ILO

“We have to stop thinking about human resources and start thinking about resourceful humans” Carlos Carrión Crespo, public services and utilities expert, ILO

How can capacity development contribute to the transition towards a green economy?

- **Labor market and training policies** can play an important role in achieving the green economy. They can play a key role in **facilitating the structural adjustments** associated with the green economy, while minimizing the associated social costs. Labor market policies need to ensure that workers and firms are able to adjust quickly to changes brought about by the greening of the economy, including by seizing new opportunities. By helping workers to move from jobs in contracting sectors to jobs in expanding sectors, these policies can also help to assure a just sharing of the adjustment costs caused by the transition.
- Greening growth will see new jobs created, such as skilled jobs in emerging innovative green activities. However, some jobs will be at risk, so there is a need to **facilitate the re-allocation of workers** from contracting to expanding sectors and firms, such as those that replace polluting activities with cleaner alternatives or those that provide environmental services.
- A shortage of skills and training can be a major barrier to the green economy. A major challenge for policymakers is to identify future hiring needs and skill requirements. Well-designed green education and training programs will have an important role to play in **helping workers to exploit the potentials** of the emerging green economy.
- Greater education and skills training contribute to **creating green jobs**. Green jobs are jobs that help reduce negative environmental impacts, ultimately leading to environmentally, economically and socially sustainable enterprises and economies. Green jobs contribute for example to saving water, avoiding deforestation and reducing environmental degradation.
- Green jobs can play a key role in **socially inclusive development** if they are decent jobs that provide adequate incomes, social protection and respect for the rights of workers, and give workers a say in decisions which will affect their lives.
- Green jobs are not yet growing rapidly enough and **unsustainable business practices are still prevalent**. Short-term pressures of shareholders and financial markets are not easily overcome.
- There is a pressing need for vocational training that can **bring youth, women, and unemployed populations into the formal sector**.
- Skills and capacity are required when planning the transition to a green economy and creating green jobs. Governments, workers, and business alike will have to **meet the skills demands of evolving labor markets**.

UN Joint Water and Sanitation Programme for the Millennium Development Goals, Panama

Challenges

- Lack of access to safe drinking water and sanitation services
- Exclusion of indigenous population groups

Focus and objectives

- Improve the health of the community by expanding the number of people that have access to water and sanitation.
- Foster socially inclusive development of the community.

Approaches

- Involve indigenous groups water management, empowered them to be partners rather than beneficiaries.
- Community participation in the planning, design, constructing and renovation of water and sanitation infrastructure.
- Workshops and information toolkits to encourage the sustainable use of water and sanitation services.
- Social dialogue with the communities through programmes and local and regional conferences.



- Education and skills re-training could open up **new employment opportunities for women** during the transition to a more sustainable economy. This is particularly necessary since women are often under-represented in fields essential to sustainability such as energy, transportation, technology, sciences and agriculture.

What are the challenges for capacity development in the green economy?

- The **rising level of informality** in the global economy constitutes a major challenge to green job growth. Moreover, the inequality both within and between countries is a major impediment. The effort to advance pro-poor sustainable development is critical to the development of green jobs, especially in developing countries.
- The overarching policy challenge is how best to **coordinate employment and skills development policies with environmental and sector policies** for more sustainable development and green economies.
- Even if certain policy instruments potentially foster the creation of green jobs, there is a need to consider the **effects on the labor market**, identify possible threats and appropriate response measures. It is necessary to consider the public policy challenges and risks that these policy instruments can entail.
- There is a need for the **improvement of governance/institutional arrangements** to facilitate capacity development.

Policy challenges and options to foster a labor market transition to the green economy

Promoting an inclusive labor market

- Effective income and re-employment support for jobseekers, in particular for disadvantaged groups.
- Mutual obligation strategy, ensuring that beneficiaries engage in active job search in exchange for receiving employment services and benefit payment.
- Strong system of vocational education and training.

Fostering labor market dynamism

- Moderate employment protection and labor taxes to foster job creation in emerging green sectors and activities.
- Strong product market competition to promote the entry of new innovative firms and to reap the full benefits of new green competitive niches.

Adapting workforce skills

- Close monitoring of job skill requirements in key green industries and occupations in order to identify new skill needs.
- Incorporate new skill requirements into education and training programs.

Source: OECD (2011)

Developed versus developing countries

- **The potential for green jobs** exists in countries at all levels of economic development, but is **often higher in developing countries**. Investments and programs to promote green jobs can be targeted at those who need them most: young people, women and the poor.
- Green employment has gained an important foothold in the developed world, where most of the documented growth has so far occurred, as well as in some rapidly developing countries like Brazil and China. Yet the developing countries account for the majority of the world's workforce.

Highlighting practice

This section outlines several approaches for transitioning to a green economy highlighted by the organizations participating in the conference.

- Addressing skill shortages requires not only the **training of new workers**, but also the retraining of those workers who transition from older, polluting industries to new ones. Furthermore, managers must be willing and able to learn new skills, and to make use of the skills their subordinates have obtained.
- Education and skills training need to be **tailored to national priorities and local needs**. Some examples of good practices include: integrating sciences and sustainability into secondary education curriculums; entrepreneurial 'boot-camps'; knowledge sharing and technology hubs or training centers; women-to-women business training and mentoring programs; youth apprenticeship programs; and research and exchange programs.



- **Training of water professionals** is necessary across the full range of water organizations. This can be realized through specially designed courses, through modification of university courses and through on-the-job training programs.
- **Training to support participatory approaches and empowerment** for managing change. Organizational change or reforms which are undertaken from the bottom to the top – by empowering workers and employers through consensus-development and participatory approaches – are more likely to change the culture of the organization and to design better adapted capacity development programs.
- Training and capacity development to adopt and adapt to different **management alternatives**, including those where the role of consumers has changed. Participatory practices in the water sector may all have implications for job creation, as well as the types and quality of jobs and capacity development requirements. In this context, examples of the implementation of social dialogue practices can shed light on how to move towards a socially inclusive green economy.

Maynilad Water District, Philippines

Maynilad manages the water services of the western zone of Metro Manila.

Challenges

- A high level (66%) of non-revenue water (NRW) – the difference between the amount of water put into the distribution system and that billed to consumers – resulted in 1,500 million litres of water loss per day (2007).
- The water operator faced financial, legal, and regulatory disputes and bankruptcy.

Focus and objectives

- Ensuring business viability and sustainability by reducing NRW.

Approaches

- Change of ownership and management of the water utility.
- Continuous comprehensive training for employees, such as specific training for leak finders.
- Contracting new young employees.
- Employees engage in a social dialogue with the management of water utilities to resolve conflicts.



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