

Trade Union  
Advisory Committee  
to the OECD  
*Commission  
syndicale consultative  
auprès de l'OCDE*

## **Just Transitions for regional, green and digital economic revivals**

*Scoping Paper*

Paris, 5 November 2019

The world is struggling to transition to a zero-carbon economy and fears of automation and sector restructuring grow. At the same time, regional economic and social disparities remain high with income and job opportunities increasingly concentrated in large cities and certain regions. The green and digital transformations might aggravate such divides further and, in parallel, result in an array of urban policy needs.

In the face of these challenges, inclusive growth is achievable through **Just Transition Plans**. Such transition is intrinsically linked to social dialogue: *“the importance of a participatory and representative process of social dialogue involving all social partners to promote high employment rates, adequate social protection, labour standards and wellbeing of workers and their communities, when developing [transition plans]”* (COP24 Declaration).

The TUAC urges the OECD and its members to embrace the Just Transition Principles as a guiding framework to reassure citizens and working people that investments and coordinated actions are underway. A silo approach without a spatial and inclusive lens to both transitions risks leaving workers in sectors, regions and those working for SMEs behind.

### **Background**

*Shaping a future of work that is more inclusive and rewarding calls for a Transition Agenda for a Future that Works for All – a whole-of-government approach that targets interventions on those who need it most. Such an agenda would need to adopt a life course approach, covering education and skills, public employment services and social protection, but also labour market regulation, taxation and even housing, transport, competition law and industrial policy. This approach would combine coping mechanisms, on the one hand, with preventive measures on the other. This holistic approach has been the objective of the OECD “Going Digital” project. A Transition Agenda for a Future that Works for All requires adequate funding.  
(OECD Employment Outlook 2019)*

Recent decades have been marked by a falling labour share of income, rising inequalities, and the increasingly difficult international and regional co-operation. Although regional economic disparities within OECD countries have started to come down, they remain at elevated levels. Furthermore, income and job opportunities remain concentrated in large cities and certain regions with unemployment rates differentiating by 6 percentage points within the OECD countries.<sup>i</sup>

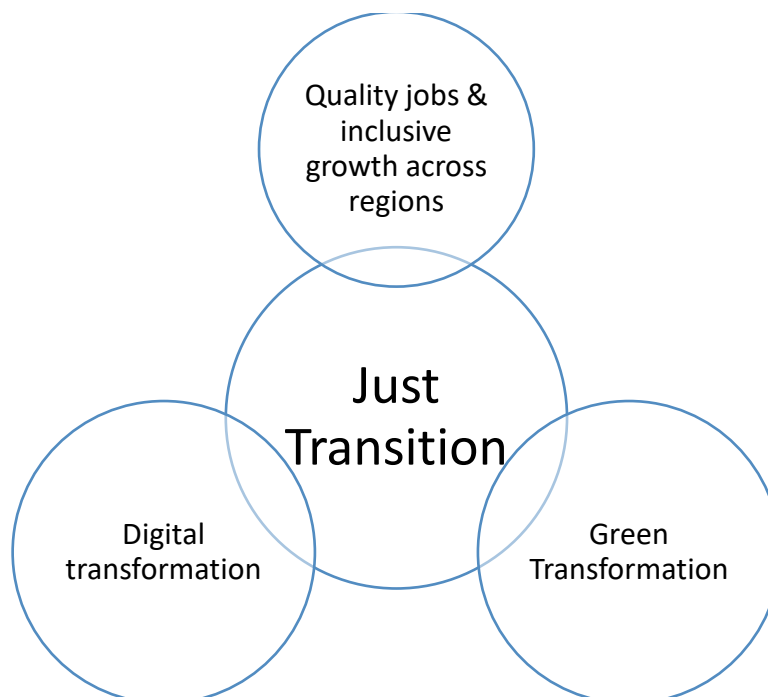
Adding to this, the impact of digitalisation might further exacerbate differences as regions with a larger share of workers with tertiary education, a larger proportion of jobs in services or highly urbanised will be better off.<sup>ii</sup> These disparities could be further worsened by technological diffusion, including the automation of tasks and intermediary functions but also the outsourcing and segmentation of process delivery along value chains enabled by new communication systems. Meanwhile, countries around the globe are struggling to firmly address climate change and move the global economy towards a zero-carbon economy. The urgency of ambitious climate action based on the IPCC's 1.5°C report necessitates policy responses.

Policy makers need to consider the impact on workers, their families and communities. Just Transition measures are a crucial condition to implement the ambitious climate policies we urgently need. Without robust social conditions (involving investments, social dialogue, social protection, social justice, skills and education, etc.), there will never be enough support in society for the structural reform of our economies needed to protect the climate. Combined with the profound digital divides in rural areas, sectors being disrupted and urban populations resorting to new non-standard forms of work, the need to extend the just transition lens to other dimensions becomes glaring.

### **Trade Union asks**

A successful transition to a zero-carbon economy holds the potential of sustainable economic growth, job creation in some sectors and social well-being. Digitalisation could support the green transition but runs counter in terms of employment trends and sectoral coverage. In this regard, the TUAC welcomes OECD work on regions and urban development, the Well-being Framework, the Going Digital and Future of Work projects amongst other. Just Transition policy and financing frameworks are key mechanisms towards the creation/ safeguarding of quality jobs and social cohesion for both transitions.

**Policy guidance and actions on achieving fair transitions needs to be further strengthened along 3 intertwining dimensions:**



### **Quality jobs & inclusive growth across regions**

- Social dialogue and collective bargaining to help labour markets adapt in a secure and inclusive way in terms of both job and income stability, but also to make sure that productivity gains are more broadly shared;
- Industrial policy to ensure sector renewal and re-structuring favourable to workers, competition friendly environments for all firm sizes and, as a result, job creation;
- Public investments including via transition funds aimed at supporting vulnerable communities, at financing public R&D and mission-oriented programmes, as well as at infrastructural and public sector needs of both regions and urban centres;
- Minimum wage floors, expanded social protection coverage and social policies that foresee relocation assistance, robust housing and care policies through a gender and spatial lens;
- Sectoral and/or regional upskilling and career transition training funds, training rights, access and incentives (time, compensation, career prospects) to lifelong learning.

### **Digital transformation**

- Sector-wide social dialogue and collective agreements on training provision, wage- and working time adjustments and working standards on OHS and data related aspects stemming from digitalisation;
- Strategies and standards towards optimising production and service processes under a human centered prism through innovation processes that anticipate the impact on employment and employability and that ensure safe and productive workplaces;
- Channel public investment to close infrastructural and connectivity gaps, and ensure internet/ broadband affordability through lowering of prices;
- Use insights from data analytics to optimise the delivery of public services and transport networks.

### **Green transformation**

- Ensure the implementation of the Silesia Declaration and the just transition principles in nationally determined contributions, national adaptation plans and national long-term low greenhouse gas emission development strategies;
- Support and encourage investments in sectors with high employment creation and environmental protection potential, such as energy efficiency, renewable energy, with particular attention being paid to energy poverty, sustainable mobility, and the upgrade of transport infrastructures among other investments;
- Develop environmentally sound industrial strategies, which puts decent work and low emissions and efficient use of resources as equally important priorities.

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<sup>i</sup> OECD Regions and Cities at a Glance 2018, <http://www.oecd.org/governance/oecd-regions-and-cities-at-a-glance-26173212.htm>

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<sup>ii</sup> Job Creation and Local Economic Development 2018, [https://read.oecd-ilibrary.org/employment/job-creation-and-local-economic-development-2018\\_9789264305342-en#page1](https://read.oecd-ilibrary.org/employment/job-creation-and-local-economic-development-2018_9789264305342-en#page1)