



**THE
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Center for Empowerment, Innovation, and
Training on Renewable Energy

RESOURCE PAPER

IS THE PHILIPPINES GETTING GREEN AND JUST?

A Baseline Study on the Application of Just
Transition Framework in the Philippines

WILSON FORTALEZA



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A BASELINE STUDY ON THE APPLICATION OF JUST TRANSITION FRAMEWORK IN THE PHILIPPINES

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Tel Nos.: +63 2 6346919, 637786 to 87 Fax No.: +63 2 6320697

Email: info@fes-philippines.org Website: www.fes.org.ph

Editor: Mr. Robert JA Basilio, Jr.

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Resource Paper on Renewable Energy Development in the Philippines

IS THE PHILIPPINES GETTING GREEN AND JUST?

A Baseline Study on the Application of Just
Transition Framework in the Philippines

WILSON FORTALEZA

Wilson Fortaleza, a founding fellow of the Center for Power Issues & Initiatives (CPII) and vice president of the CentRE, is an ardent advocate of renewable energy and energy democracy. A spokesperson of Partido Manggagawa (Labor Party-Philippines), Fortaleza also writes for a local newspaper, and publishes research papers and policy studies on power industry, labor, human rights and other social issues.

List Of Acronyms

ANTECO	Aklan Electric Cooperative
ASPBI	Annual Survey on Philippine Business and Industry
BAU	Business As Usual
BENECO	Benguet Electric Cooperative
BSP	Banko Sentral ng Pilipinas
CCC	Climate Change Commission
CHED	Commission on Higher Education
COP15	Conference of Parties - 15th Session
CPES	Compendium of Philippine Environment Statistics
CSOs	Civil Society Organizations
DA	Department of Agriculture
DENR	Department of Environment and Natural Resources
DepEd	Department of Education
DILG	Department of the Interior and Local Government
DOE	Department of Energy
DOF	Department of Finance
DOLE	Department of Labor and Employment
DOST	Department of Science and Technology
DOT	Department of Tourism
DOTr	Department of Transportation
DPWH	Department of Public Works and Highways
DTI	Department of Trade and Industry
EPIRA	Electric Power Industry Reform Act of 2001
ERC	Energy Regulatory Commission
ETUC	European Trade Union Confederation

List Of Acronyms

GHG	Greenhouse Gas
HRD	Human Resource Development
ILO	International Labor Organization
ILS	Institute of Labor Studies
JODA	Jeepney Operators and Drivers Association
MITC	Mining Industry and Tripartite Council
MSMEs	Micro, Small and Medium Enterprises
MW	Megawatt
NEDA	National Economic and Development Authority
NGP	New Green Deal
NREP	National Renewable Energy Plan
PRC	Professional Regulation Commission
PSA	Philippine Statistics Authority
PUV	Public Utility Vehicle
RE	Renewable Energy
ROMELCO	Romblon Electric Cooperative
SGD	Sustainable Development Goals
SMEs	Small and Medium Enterprises
TESDA	Technical Education and Skills Development Authority
TODA	Tricycle Operators and Drivers Association
TVET	Technical and Vocational Education Training
UNFCC	United Nations Framework Convention on Climate Change

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EXECUTIVE SUMMARY

The Philippine government can be lauded for consistently acceding to very important international agreements – the Paris Agreement on climate change and the 2030 Agenda on Sustainable Development on fighting poverty and inequality. Its further adoption as well as the pilot application of the International Labor Organization's (ILO) twin frameworks on Decent Work (2009) and Just Transition (2015) in the country can likewise be considered as bold steps needed in escorting the country's transition to a low carbon and more equitable future.

However, in subsequent program implementation, government initiatives most of the time are found wanting of desired policy outcomes. The country's chronic decent work deficits¹ may lead us to conclude that another instrument that seeks thoroughgoing structural changes would be similarly paralyzed.

The pilot application of ILO's Just Transition in the country should have conveyed a fresh and holistic framework to the usually fragmented approaches attending the government's energy transition programs. Both the Electric Power Industry Reform Act of 2001 (EPIRA) and the Renewable Energy Act of 2008 do not contain a clear framework that equally deals with the twin problems of climate crisis and poverty. It was only in the Green Jobs Act of 2016 that such a framework was introduced to concerned government agencies.

The Green Jobs Act puts decent work and human capital development at the center of pursuing a climate-resilient and an environmentally sustainable pathway, according to ILO, as green jobs refer to employment that contributes to preserving or restoring the quality of the environment and promoting decent work at the same time.



In this initial evaluation of Just Transition's pilot application, it has been observed that the process of social dialogue, which is the framework's pillar, remains lacking in the power sector and in some way, is failing in the transportation sector. Much work, in other words, remain to be done.

Such failures or deficits, however, are deeply rooted owing to a business-as-usual approach in dealing with climate and poverty emergencies. The lack of a just transition process in the power sector was due to the fact that there was no phase-out plan for fossil fuels to begin with, while the continuing dispute between the government and the transport sector on PUV modernization also points to a shoddy process as well as the fear of economic dislocation among the PUV drivers.

I. INTRODUCTION

The labor movement must be credited for introducing a framework that later became a policy adopted by international bodies in formulating actions on climate change. As world leaders, scientists, movements, and parties work for solutions to limit the global temperature to 1.5°C to 2°C above pre-industrial level by way of decarbonisation, the shift to a low carbon economy can create new and increased demands for labor, according to studies. However, it is also expected to impact negatively on the vulnerable sectors especially those who will be caught in the frontline of economic restructuring such as workers in the energy, mining, and transport sectors, among others.

“

Just transition means that the burden of change that benefits everyone will not be placed disproportionately on a few. A just transition for all implies that responses to climate change and environmental sustainability should maximize opportunities for decent work creation and ensure social justice, rights and social protection for all leaving no one behind (ILO, 2016)

As a policy tool, the Just Transition framework resolves the major gaps encountered by workers and their communities in earlier transitions that have taken place since the industrial revolution, where modernisation and higher productivity have impoverished and marginalized billions of people. A Just Transition policy in today's world, the labour movement asserted, should not be *just another transition* as there is also history of unjust transitions. Future transitions also need not be just about reducing emissions.

Likewise, this assertion did not spring from the narrow interest of self-preservation as workers were never opposed to climate actions considering the fact that climate change, in recent years, has already been destroying jobs and livelihoods on massive scale. Thus, the union slogan that 'there are no jobs on a dead planet' is an affirmative recognition of the problem as well as a call to action by the labor movement to get involved in formulating and building climate strategies worldwide.

As a trade union demand, a Just Transition must be a planned transition to decarbonisation where a democratic “process” leads to the achievement of a socially-defined “outcome”. The ILO Guidelines for a Just Transition Towards Environmentally Sustainable Economies and Societies for All (2015)² defines the “process” (how to get there) as a managed transition with meaningful *social dialogue* at all levels, while “outcome” must be *decent work* for all and the eradication of poverty.

Evolution of Just Transition

Earlier concepts of Just Transition as referred to by the ILO revolved around safety nets. US trade unions demanded a “Superfund for workers” (Tony Mazzocchi (1993)) from the government to provide financial support and opportunities for higher education for workers displaced by environmental protection policies. The unions argued then that “if there is a superfund for dirt, there ought to be one for workers.” Criticised for having too many negative connotations, the Superfund for workers was later changed to Just Transition which promotes a simple principle of equity (Leopold 1995).

Later in 1998, a Canadian union activist, Brian Kohler, who first made mention of the concept of Just Transition in a union newsletter, attempted to reconcile the union movement's efforts to provide workers with decent jobs and the need to protect the environment. The real choice, according to Kohler, is not jobs or environment. “It is both or neither.”

From here on, the concept has evolved in meaning and scope as the labor movement grappled with the need to come up with the right approach to the complexities of the social justice struggles and climate change.

In 2006, the European Trade Union Confederation (ETUC 2006) launched a study on the impact of climate change on jobs, and in 2009, a trade union statement on Just Transition was submitted to the Conference of Parties (COP15).

In 2010, the Second World Congress of the International Trade Union Confederation (ITUC) adopted Just Transition as the trade union's approach to fight climate change. The most visible result of trade union efforts was the inclusion of the concept of “Just Transition” in the final agreement of the 16th COP, held in Cancun in December 2010 (UNFCCC 2010).

In 2013, the 102nd International Labour Conference adopted a resolution and a set of conclusions, concerning sustainable development, decent work, and green jobs by putting forward a policy framework for a 'Just Transition'. Subsequently, the Policy Guidelines on “Just Transition towards Environmentally Sustainable Economies and Societies for All” (Just Transition) was adopted by the ILO Governing Body in October 2015.

In the Philippines, official discussions on Just Transition can be traced back as early as 2009 with the publication of the Framework Paper, “From Jobs to Green Jobs”,³ by the Institute of Labor Studies (ILS) of the Department of Labor and Employment (DOLE).

Today, the Just Transition concept can also be found in pages of other radical platforms on climate actions by policymakers and activists such as the New Green Deal (NGD)⁴ program in Europe and in the United States. This NGD program envisions not only a drastic cut in carbon emissions but also a massive mobilization of resources for the planned transition, similar to the concept of the Marshall Plan that rehabilitated the Western world from the massive destruction of WWII.

Consequently for the more progressive unions, a transition can only be just when power is effectively reclaimed by the communities from the hands of the oligarchs.

The ILO Guidelines

The ILO Guidelines from then on became the fulcrum of Just Transition policies for the UN 2030 Agenda on Sustainable Development with its 17 Sustainable Development Goals (SDG)⁵. It also provides the basic framework for implementing the Paris Agreement (UNFCCC 2015). In brief, the Guidelines enjoin the Governments to:

- (a) provide a coherent and stable policy framework for sustainable enterprise development and decent work for all;**
- (b) promote and engage in social dialogue, at all stages from policy design to implementation and evaluation and at all levels, from the national level to the enterprise, in line with international labour standards;**

Similarly, the Social Partners are enjoined to:

- (a) raise awareness and provide guidance among their members for the Just Transition framework;**
- (b) play an active role in the formulation, implementation, and monitoring of national sustainable development policies;**

(c) encourage their members to participate in social dialogue at all levels;

(d) promote the inclusion of environmental provisions through collective agreements at all levels.

Once again, the Philippines was selected by the ILO for the pilot application of Just Transition, together with Ghana and Uruguay. It can be recalled that the Philippines was also chosen by ILO to pilot the implementation of its Decent Work⁶ framework in 2009.

With Decent Work envisioned as the “outcome” of a planned transition to decarbonisation and social dialogue as the “process” that would ensure inclusiveness, it is but timely to look into the status of the implementation of Just Transition in the Philippines and to verify whether the transition process is really making the country green and just.



Objectives of the study

A particular focus of this study is to keep track of the application of Just Transition in the Philippines which to date should have already gone beyond the stage of capacity building and mainstreaming. Roadmaps for the different sectors should already have been formulated in some areas and actual plans should already be ready for roll out. Unfortunately, only meager information remains available to unions and civil society organizations (CSOs) regarding what Just Transition has achieved at this point.

This paper will also try to present some baseline data, especially from the power and transport sectors to determine how many workers, based on their sectoral distribution, would be affected by the shift to renewable energy and how long or close the transition will take place in their industries. And lastly, the study will cite several stories of actual transitions taking place, which, in turn, create new opportunities for workers and their communities.

II. PHILIPPINES: ILO's Just Transition Pilot

As one of the pilots for ILO's application of Just Transition guidelines, the Philippine case is aimed primarily at building the capacity of its tripartite partners (government, employers, and workers' organizations) in meeting the country's obligations to the Paris Agreement and the 2030 Sustainable Development Agenda. The capacity-building initiative includes advancing decent work and fair transitions for enterprises and communities as guideposts.

The Philippines, according to ILO, "is one of the fastest growing economies in the region, yet inequality, poverty, decent work deficits remain a significant challenge." Its environment is also one of the most threatened in the world. We can only agree with this conclusion for without a condition of manifold social and environmental crises, the significance of a Just Transition framework may no longer be that important.

But as stated in many studies, the Philippines may not be considered a laggard in terms of crafting policies on sustainable development with the enactment of laws and rules meant to combat climate change and poverty.

These laws, however, lack a holistic framework similar to the Just Transition approach. The enactment of the Philippine Green Jobs Act in 2016 allowed the ILO to find space where Just Transition can be introduced, mainstreamed, and finally rolled out by its partners.

The Green Jobs Act

For ILO, the Green Jobs Act is a pioneering piece of legislation that puts decent work and human capital development at the center of pursuing a climate-resilient and an environmentally sustainable pathway. The law also integrates the Just Transition framework.

Green jobs, as defined under the law, refer to “employment that contributes to preserving or restoring the quality of the environment, be it in agriculture, industry, or service sector. Specifically, but not exclusively, [these] include jobs that help to protect ecosystems and biodiversity, reduce energy, materials, and water consumption through high efficiency strategies, decarbonize the economy, and minimize or altogether avoid generation of all forms of waste and pollution. Green jobs are decent jobs that are productive, respect the rights of workers, deliver a fair income, provide security in the workplace and social protection for families, and promote social dialogue.”

To meet these objectives, the law has directed 21⁷ inter-agency government bodies to prepare the industry and the skills of the workforce needed to transition to a green economy.

To track the progress of the pilot application of Just Transition in the Philippines, the tasks for each of the 21 agencies identified under the Green Jobs Act are listed below.

Government Agency	Tasks under the Green Jobs Act
<p>Department of Labor and Employment (DOLE)</p>	<p>Coordinate with other government agencies, formulate a National Green Jobs Human Resource Development Plan on the development, enhancement and utilization of the labor force, both in the private and public sectors. The plan shall have the primary objective of enabling and sustaining the transition into a green economy and the generation of green jobs towards more employment and equal opportunities and the promotion of social justice and workers' welfare. It shall include programs, projects, and activities pertaining to basic, higher, and technical-vocational education and training, and a database that identifies and links green job opportunities with private and public entities, and information on knowledge and skill requirements of a green economy.</p>
<p>Philippine Statistics Authority (PSA)</p>	<p>Shall assist DOLE in maintaining a database of green careers, professions, and skills, as well as a list of emerging business enterprises, which generate and sustain green jobs. It shall facilitate skills training assessment and certification, career advocacy, provide productivity and livelihood training, and extend technical assistance to enterprises to ensure labor law compliance.</p>
<p>Department of Finance (DOF)</p>	<p>Administer the grant of incentives to qualified individuals and business enterprises engaged in registered strategic activities, and shall maintain a database on the same.</p>

Government Agency	Tasks under the Green Jobs Act
Department of Environment and Natural Resources (DENR)	Establish and maintain a climate change information management system and network as reference in the formulation of strategies and approaches to develop potential green jobs.
Department of Education (DepED)	Implement faculty, facility, and curriculum development for primary and secondary education in support of the knowledge and skills requirement of a green economy.
Commission on Higher Education (CHED)	Develop and implement curriculum and related standards and instructional materials in support of the green economy.
Technical Education and Skills Development Authority (TESDA)	Formulate the necessary training regulations for the implementation of skills training, program registration and assessment, and certification in support of the requirements for skilled manpower of the green economy.
National Economic and Development Authority (NEDA)	Ensure the mainstreaming of green jobs in development plans.
Department of Trade and Industry (DTI)	Develop a special business facilitation program for individuals and business enterprises that create green jobs.
Professional Regulation Commission (PRC)	Encourage the development of qualifications framework that can facilitate the recognition of knowledge, skills, and competencies of professionals working in the green economy.

Government Agency	Tasks under the Green Jobs Act
Department of Science and Technology (DOST)	Together with the TESDA, assist the DOLE in analyzing skills, training, and re-training needs in relation to the use of green technology that has the potential to create new green occupations and greener jobs, especially in industries or sectors undergoing structural changes due to climate change and greening of the economy. It shall also provide a range of business development support for MSMEs. These may include prototyping or modelling of technologies, conducting assessment to match technological needs and demands, subcontracting businesses to develop clean technologies, providing technical written guides and procedures as well as instructions and training on clean technology for business.
Department of Transportation and Communications (DOTC)	Ensure the mainstreaming of green jobs in its sectoral development plan and encourage more investments in public transport infrastructure and services to optimize the potential of public transport to foster green growth and job creation. It shall also explore strategies of shifting to more environmentally friendly modes of transport and improving the efficiency of all modes of transportation.
Department of Public Works and Highways (DPWH)	Develop and implement programs that promote the importance of green building practices in safeguarding the environment and its role in sustainable economic development.

Government Agency	Tasks under the Green Jobs Act
The Department of Tourism (DOT)	Outline sustainable tourism planning and integrated approach for the promotion of a job-rich sustainable tourism industry development.
Bangko Sentral ng Pilipinas (BSP)	Provide preferential financial packages to business enterprises that create green
Climate Change Commission (CCC)	Develop and administer appropriate standards for the assessment and certification of green goods and services and green technologies and practices for the purpose of regulating the availment of incentives and ensuring green jobs content pursuant to the National Green Jobs Human Resource Development Plan in consultation with concerned agencies, such as the Department of Environment and Natural Resources (DENR), the Department of Trade and Industry (DTI), the Department of Labor and Employment (DOLE), the Department of Agriculture (DA), the Department of Energy (DOE), the Department of the Interior and Local Government (DILG), and the Department of Science and Technology (DOST).

Besides coordinating with the 21 agencies in implementing the Green Jobs Act, the DOLE also heads the Tripartite Project Advisory Committee for the Just Transition, focused particularly on the mining sector.

For its part, the ILO's piloting work for Just Transition in the Philippines is anchored on the implementation of the Green Jobs Act. The law itself is the product of ILO and DOLE's earlier initiatives on green jobs and decent work. This explains why much of its piloting activities are in synch with the law's objectives.

A check of the general work plan contained in one of ILO's brochures about Just Transition shows the list of activities and their intended outcomes after the enactment of Green Jobs Act in 2016. (See Chart)

Main Activities	Project Outcomes
Establishment of a Tripartite Project Advisory Committee to provide overall strategic and policy guidance and facilitate institutionalization of project results.	Established and initiated a tripartite-plus and platform for social dialogue on Just Transition in mining communities.
Conduct of Foundational Training Workshops on green jobs and Just Transition for tripartite constituents.	Integrated green jobs and Just Transition in key national policies and frameworks in the Philippine Development Plan 2018-2022 and provided updates of the National Climate Change Action Plan.
Conduct of tripartite consultations to establish a nationally agreed definition and measurement criteria for green jobs.	Contributed to the issuance of the Green Jobs Act Implementing Rules and Regulations.
Support the crafting of the Green Jobs Act Implementing Rules and Regulations.	Developed a Green Jobs Act Assessment and Certification system and guidelines under the Green Jobs Act with the Climate Change Commission.

Main Activities	Project Outcomes
<p>Integration of the Just Transition framework in the development of the National Green Jobs Human Resource Development Plan, which will cover programmes pertaining to basic, higher, and technical-vocational education and training. Create a database that identifies and links green jobs opportunities with private and public entities and information on knowledge and skills requirements of a green economy.</p>	<p>Formulated the first phase of the National Green Jobs Human Resource Development (HRD) Plan with Department of Labor and Employment (DOLE) to integrate Just Transition.</p>
<p>Provide updates of the green jobs database through labor force and enterprise-based surveys and analysis of environmental, economic, and labor market linkages.</p>	<p>Developed survey questionnaires for a comprehensive system of statistics on employment in the environmental sector and green jobs through labor force with the Philippine Statistics Authority (PSA).</p>
<p>Testing of scenarios and conduct of policy simulations on employment creation potentials and greenhouse gas emission reductions of selected policies.</p>	<p>Developed the Green Philippine Employment Projections Model.</p>

Main Activities	Project Outcomes
<p>Assessment and advocacy of labor implications of the Philippines' Nationally Determined Contribution.</p>	<p>Updated the skills for the Green Jobs country study to support the government's strategic framework to green the Technical and Vocational Training (TVET) system through the Technical Education and Skills Development Authority (TESDA).</p>
<p>Conduct of high-level policy fora to facilitate integration of results into policy decision-making and development of relevant national frameworks.</p>	<p>Established a pool of trainers for the green business training programme and integrated the International Labor Organization (ILO) green business approach in programs and initiatives of the academe, private sector, and civil society partners.</p>
<p>Development of gender-responsive and inclusive advocacy strategies, together with key stakeholders.</p>	<p>Developed and implemented a comprehensive Just Transition framework for mining communities now used by the Office of the President for policy discussions in the CARAGA region.</p>

Main Activities	Project Outcomes
Identification and implementation of demonstration projects to show integrated and effective Just Transition measures in prioritized policy areas, sectors, and/or localities.	Enhanced the capacity and developed champions among government, workers, employers, and other stakeholders on green jobs and Just Transition through training and advocacy programmes.

Most activities listed in this brochure such as tripartite consultations, inter-agency coordination, and capacity building meetings as well as other mainstreaming initiatives have already been conducted or are at their different levels of implementation in respective government agencies. Consultations with business and workers groups, which were facilitated by the ILO, have already been conducted.

For its part, the DTI has come up with its **Greening the Philippine Manufacturing Industry Roadmap**⁸ report which covers industries such as automotive and auto parts, pulp and paper, plastic, housing, furniture, and copper. The three-year project could have served some 300 small and medium enterprises (SMEs) from various regions. The TESDA, on the other hand, has already undertaken a labor market intelligence report⁹ in 2018 to meet the objective of greening the government's Technical and Vocational Education Training (TVET) program.

A checklist of what has already been done could have guided us already into the actual status of the pilot application but unfortunately, several government agencies have yet to provide updates. The labor department itself, which coordinates the whole program, has yet to come up with the Green Jobs HRD Plan. Moreover, a department order creating a Mining Industry and Tripartite Council (MIITC) has yet to be issued by the DOLE despite

the mining sector having been identified as a pilot project for Just Transition.

When asked by the author during the Renewable Energy Congress¹⁰ held in Cebu City on 25-27 September 2019 co-organized by the Center for Empowerment, Innovation and Training on Renewable Energy (CentRE); Patrick Patriwirawan, OIC Director of DOLE's Institute for Labor Studies (ILS) and Arnold Grant Belver, Senior Research Specialist of the Climate Change Commission (CCC), both conceded that concerned agencies have yet to finish their respective homework. They also expressed hope that these will be completed before the year ends.

The delays, according to ILO's Enterprise Development Specialist, Hideki Kagohashi, were partly due to the slow decision-making processes within the inter-agency bodies as representatives to the meetings usually didn't have decision-making powers. In fact, Kagohashi's updates on Just Transition that he presented during a Focus Group Discussion¹¹ organized by the CentRE with power and transport workers unions held earlier in Quezon City remain fragmented as he himself has yet to receive status updates from several agencies.

And finally, the most important pillar of Just Transition, which is social dialogue or negotiations, is best evaluated at the ground level. However, while this aspect remains hounded by many questions, it also needs more than just a written report but the actual activities taking place on the ground. One-shot sectoral consultations and workshops do not make a social dialogue.

Have actual negotiations with key stakeholders taken place which, in turn, resulted in the formulation of common plans for action at the workplace level or at the level of affected communities? Were actual transition plans collectively prepared for power industry and transport unions or for environmental justice communities¹²? These are the continuing concerns that have yet to be addressed.



III. WHO DESERVES JUST TRANSITION IN THE PHILIPPINES?

Everyone can be a victim directly or indirectly of climate change. The impact, however, would be different for every sector or location as rising global temperatures set off a range of other crises which will bring the heaviest burdens on the poor and the vulnerable. This is the reason why Just Transition was aimed to be a holistic approach by combining social justice and climate solutions into humanity's common agenda for action. In other words, combating climate change must also serve the purpose of ending poverty and inequality and vice versa.

The Philippines is one of the world's lowest carbon emitters, with less than a one percent contribution to global GHG emissions. Yet it bears much of the devastation from natural calamities since it is one of the “most vulnerable” countries to climate change.

As such, adaptation and mitigation measures are urgent concerns that demand immediate and strategic action, unless policymakers consider otherwise — that suffering from nature's wrath is a mere matter of natural sacrifice.

Just Transition and the working poor

Almost six million workers have been affected by Haiyan (Yolanda)¹³, according to the ILO. Of these, 2.6 million were already in vulnerable employment and living at or near the poverty line even before the strongest typhoon in history struck the Philippines in 2013. Moreover, an accounting of total damage from natural disasters from 2006-2015 amounted to P374B¹⁴, according to PSA's Compendium of Philippine Environment Statistics (2016 CPES).

The impact of natural disasters on workers in vulnerable conditions where decent job and social protection were lacking is evidently heavier than those who can afford to shift to another job or another location. While everyone is an unwilling victim of natural calamities, surviving life on a burning planet is more difficult for the poor and the unprotected.

On the other side of the coin are workers who face the real danger of losing their jobs as a result of economic restructuring.

In Europe and in other parts of the world, Just Transition is widely understood to be a planned transition for workers in the large brown economy that covers coal and other mines and transport and nuclear industries, among others. These workers are going to be affected by the shift to renewable, decentralized, and smarter energy and transport systems. For these nations, the shift should not only prevent the planet from warming further, but also rescue workers from economic dislocation.

The Philippines is a developing economy. Yet compared to industrial countries, it has committed to cut its greenhouse gas (GHG) emissions by 70 per cent until 2030 on the condition that financing and other support mechanisms are made available. In other words, the country has already assumed the obligation of making this transition take place at the soonest time possible.

But no immediate industry restructuring and dislocation have taken place as major players have dragged their feet, no thanks to fragmented and contradictory policies, funding deficiency, resistance, and downright negligence. This is notable in two particular cases – the energy and transport sectors.

The power sector

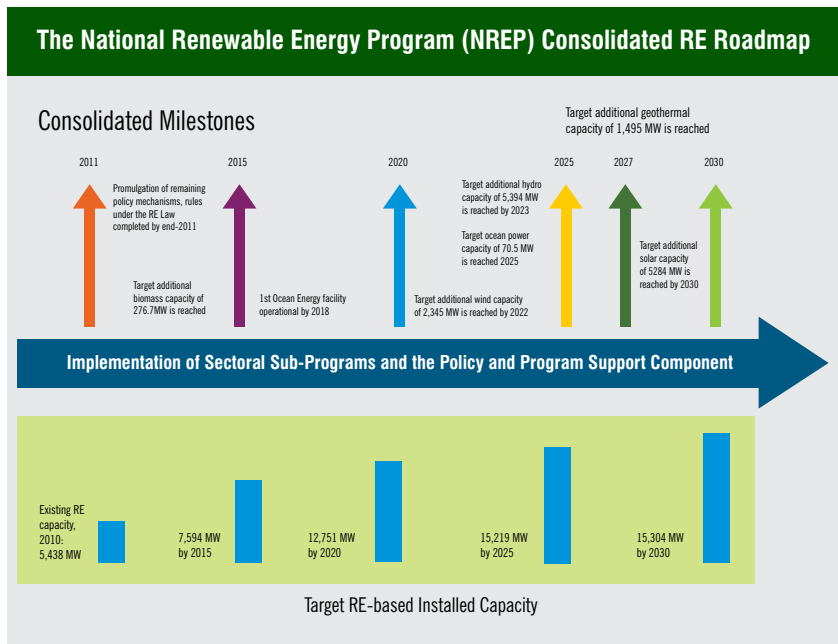
The Philippines is rich – both in renewable energy resources and the policies involving their use. Since the 1940s, the country has begun developing indigenous renewable energy sources such as hydro and geothermal power. In 2008, it enacted a comprehensive renewable energy law. Yet the shares of fossil fuel (coal, natural gas, and oil) in energy production have outpaced the growth of renewable energy in the last three decades.

Coal has dominated the country's power generation sector when the power industry was deregulated and privatized in the late 1980s to early 90s.

Besides coal facilities, other power plants run on natural gas from the Malampaya fields in Palawan. The rest are thermal plants powered by imported bunker and diesel fuel. The country also imports most of its coal abroad as those produced locally are of such low quality that these have to be mixed with high grade imported coal so that they can be used for power generation. Currently, almost half of the total generated power in the Philippines comes from coal-fired power plants.

As of 2018, 43 coal-fired power plants¹⁵ operate in the country. This number is increasing further as megawatts of indicative and committed capacities have already been put in the pipeline to meet the country's increasing demand for electricity. Annual growth in energy demand is not lower than five per cent in recent years and projected peak requirements in the years 2030 and 2040 are expected to reach more than 49,000 MW.

Unfortunately, the National Renewable Energy Plan (NREP) launched in 2011 to bolster policy objectives of the Renewal Energy Act of 2008, was able to come up only with a less ambitious target of a little over 30% share of renewables (15,000 – 20,000 MW) in the energy mix for 2030 and 2040, both under the business as usual (BAU) and the low-carbon scenario. As a result, for the next two decades or more, the power industry will in no way turn green. (See Table)



Workers to be affected

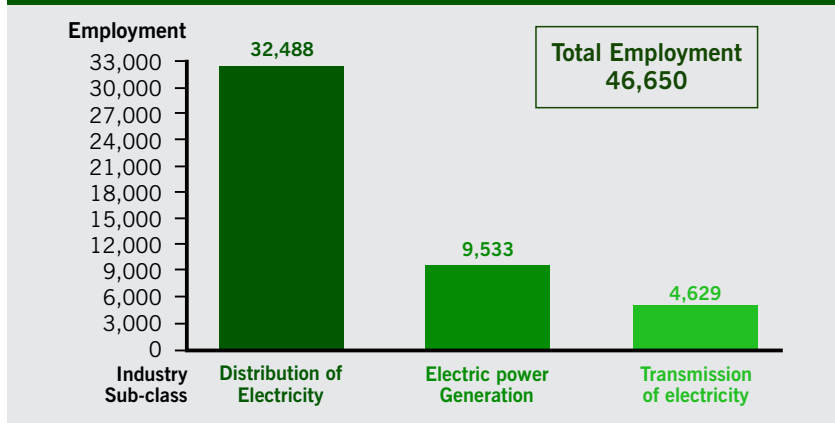
Almost half (4,500) of the 9,500 workers in the power generation sector are employed by coal power plants. The Semirara coal mine and power plant alone employ some 3,000 workers in 2017.

Luckily, they face no immediate dislocation. No decommissioning plan is yet in place nor is there any closure order for coal mines. To make matters worse, environmental and health policies are hardly, if ever, enforced, exposing workers and their communities to hazards directly caused by dirty facilities and harmful mining activities.

Therefore, a Just Transition plan is desperately needed in this sector. After all, the Philippines' compliance with international commitments won't matter that much if it continues to keep its hands off an industry considered as its top polluter.

The same can be said for the distribution and transmission sector which employs 32,400 based on 2015 PSA's Annual Survey on Philippine Business and Industry (ASPBI). Some 4,629 transmission sector workers are not likely to be affected by the transition since there are no indications that the national grid will be challenged by distributed generating systems in the immediate future. (See Table)

FIGURE 2 Distribution of Employment for All Electricity, Gas, Steam, and Air Conditioning Supply Establishments by Industry Sub-class: Philippines, 2015



Power sector workers continue to suffer decent work deficits in many areas, including freedom of association and even in the levels of compensation. Labor productivity in the power industry is one of the highest in the Philippines at P4.4 million per employee¹⁶, yet average compensation received by workers amount only to P742,696.00 per annum or P57,000.00 per month.

Compensation is definitely much lower for the rank and file workers compared to the executive or managerial positions.

And while the Decent Work framework adopted by the government assures workers the full exercise of their rights at all levels at all times, unionization efforts in the power industry continue to face strong resistance from owners. Only a handful of unions exist in generating companies, none in the transmission sector, and not even half in the 121 electric cooperatives.

Moreover, during discussions¹⁷ organized by the CentRE with power industry unions, particularly in generating companies (genco) and electric cooperatives, one of the concerns raised was the potential impact on revenue — and on their jobs — of declining electricity sales, once micro grids begin to infringe on their franchise areas.

This is particularly true for several electric cooperatives whose customers are mostly life-liners¹⁸ and big clients, which now happen to be considered as contestable markets¹⁹ under EPIRA. However, union members themselves recognize that unless their cooperatives venture into renewable energy development, conventional and renewable energy suppliers will slowly eat into their customer base, as authorized under the open access policy of EPIRA or under the green energy option program of the Renewable Energy Act.

Another concern raised by power unions is the looming corporate takeover or privatization of electric cooperatives whose franchise areas are set to expire over the next ten years.

In fact, some cooperatives already have their franchises being contested in Congress by companies identified with entities that are also into coal. This is a very sensitive issue because the 121 electric cooperatives serving more than 12 million households all over the country are technically owned by member-consumers.

As a tool for negotiation and social dialogue, a Just Transition framework may prevent corporate takeovers of electric cooperatives from happening. Once dialogue and negotiation become the practice under this framework, the chance of having new models of cooperation to pursue energy democracy in the industry may emerge as better alternatives to the business-as-usual and corporatization approach.



Transport sector

The Philippines' transport sector accounts for 35 per cent of the country's GHG emissions, placing second to the power industry's carbon emissions at 41.8 per cent. The transport sector, which uses oil as a primary fuel, is the second biggest employer in the service industry, with a total workforce of 3.2 million or 7.8 per cent of total employed persons in 2018²⁰.

Based on the 2015 ASPBI survey, close to 192,000 workers were employed in the transport industry's formal sub-sector as shown in the following Tables:

FIGURE 1 Percentage Distribution of All Establishments for Transportation and Storage by Industry Sub-class: Philippines, 2016

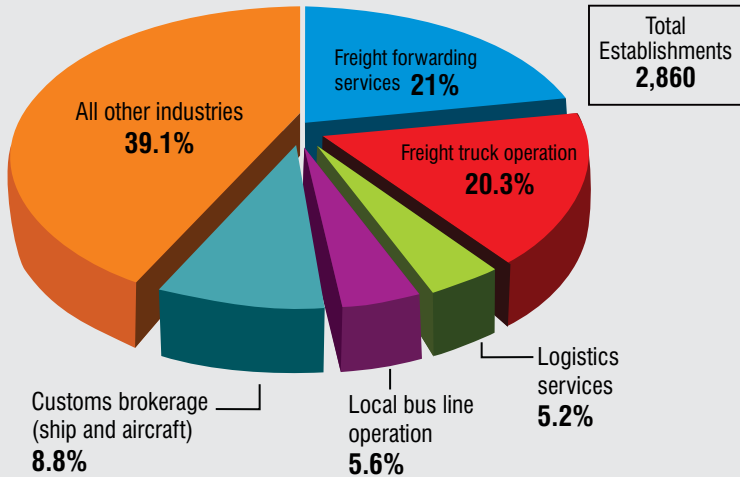
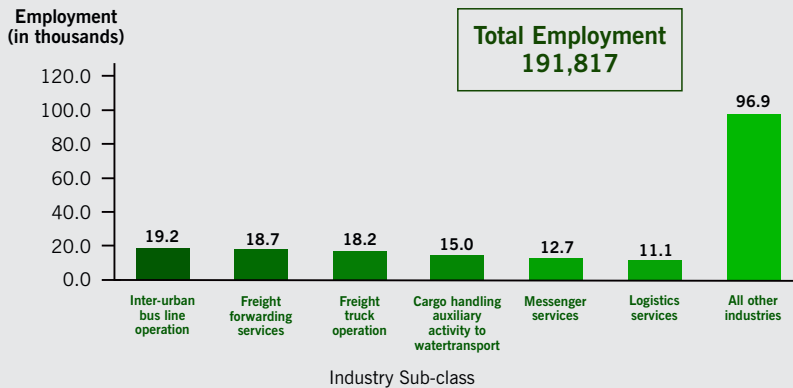


FIGURE 2 Distribution of Employment for All Transportation and Storage Establishment Industry Sub-class: Philippines, 2016



So where are the majority of the more than 3 million transport workers? Since the ASPBI only covers enterprises employing 20 persons and above, it is presumed that most transport workers can be found in the industry's informal sector — the self-employed members of JODAs²¹ and TODAs²² and the unregistered, unorganized lines of *habal-habal*²³ and *pedicab* drivers. There are 1.8 million²⁴ registered jeepneys in 2013 and about 6.2 million registered motorcycles and tricycles in the country in 2017²⁵.

Yet despite the huge gap between the employment numbers of the transport industry's formal and informal sectors, workers in both groups are most likely to be affected by the planned shift to electric vehicles and the development of more efficient and cleaner mass transport systems.

Meanwhile, manifold issues surrounding the jeepney modernization program remain unresolved. As government and transport groups wage a battle mostly concerned with the program's financial costs, the threat of corporate takeover of franchises — previously granted to transport organizations — looms in the background.

During one focused group discussion, a transport leader revealed that a big land developer has suddenly taken an interest in the transport business because he wanted his real estate network to become a hub for his own transport operations.

Similarly, a transport group in Iloilo City has complained about increased fees (from P20,000 to P50,000 per unit)²⁶ for bond alone, while its loanable amount of P80,000 from Land Bank remain below the equity requirements for the purchase of an expensive euro 4-compliant jeepney that costs between P1 million to P2 million.

The most recent transport strike by public utility vehicle (PUV) drivers and operators that paralyzed many parts of the country has once more revealed the unresolved contradictions in the PUV modernization program.

On one hand, drivers in protest were threatened by the prospect of losing their individual franchises if they fail to form cooperatives. On the other hand, they were burdened with coughing out P800.00 per day²⁷ or P20,000.00 per month or more in the next seven years to pay for their bank loans.

Although the early adapters may have found the program more beneficial than what they expected, the government nevertheless should not just ignore those who chose to wait it out, having resisted the shift that seemed to favor big and well-connected industry players.

In any case, those who chose to resist and/or wait it out weren't exactly wrong to do so. At the Senate deliberations on the proposed 2020 budget for the Department of Transportation (DOTr)²⁸, it was discovered that investments for PUV modernization that was rolled out beginning 2017 was able to fund only two per cent of the needed number of modern PUVs.

To make matters worse, the proposed budget for 2020 contains no new funding for the PUV phase out, in effect compromising a program that is up for completion next year. At this current rate, the PUV modernization will never be completed in the remaining two and a half years of the Duterte administration.

Social dialogue failed in this case because the jeepney modernization program was foisted upon a reluctant partner, not because they rejected modernization as a policy, but mainly because the government has favoured big players and negatively viewed those who chose to wait and see.

IV. OBSERVATIONS AND CONCLUSION

A California-based group of researchers has conducted a study on Just Transition based on their actual implementations at workplace and community levels. The study included the evaluation of policy

instruments (or lack of them) and the role those policies played in the successful implementation of Just Transition plans in the state of California.

In their final report, **A Roadmap to an Equitable Low-Carbon Future: Four Pillars for a Just Transition**²⁹, the authors concluded that four pillars are needed for the success of Just Transition. These four pillars are: (1) strong governmental support; (2) dedicated funding streams, (3) strong and diverse coalitions, and (4) economic diversification. Without these pillars to stand on, a Just Transition is most likely to fail.

The Philippine government can be lauded for dedicating itself as pilot for the Decent Work and Just Transition frameworks of the ILO.

By doing so, it placed itself in the spotlight for scrutiny, not only from observers around the world, but also from its very own people. The country, in other words, has to prove itself not only as a worthy model for a Just Transition program but also a good driver of this process for the benefit of its people.

The Philippine process as defined under the Green Jobs Act is tripartism. But for this process to become a meaningful social dialogue, it has to advance to the planning stage and negotiations for the actual transition plans. The process must also be inclusive, especially for the most affected sectors in the plan. This is where the intersections of government and diverse coalitions and affected communities are important.

Problems in the PUV modernization program are vital examples. It points to both the process and readiness of the government to pursue the transition in a feasible and just manner. The HRD Plan of DOLE, the mainstreaming efforts of NEDA, and the funding assurance from the DoF may be on hand to address these gaps, these may likewise be found currently wanting.

In short, the Philippine Just Transition process as of this moment remains energy-blind. But why did the process take a back seat when in fact the power industry is supposed to be one of the primary sectors for reducing carbon emissions and saving the communities from perpetual health hazards?

There is only one explanation for this seeming restraint — and that is the business-as-usual approach adopted by leaders in the power sector.

First, despite having a renewable energy (RE) development plan, the DoE continues to keep its policy of “technology neutrality”, which means that the country's energy security today and in the future depends on which technology can meet our base load and peak load requirements at the least cost. This policy places coal as top bidder.

Second, there is a plan for producing 15,000 to 20,000 MW of RE capacities by 2040, but 70% of the country's power requirements will still be supplied by coal and natural gas.

Third, no decommissioning or phase out plan for existing coal power plants and mines have been made and therefore there is no red light to beat in the horizon.

Fourth, funding streams for power projects are mostly available for big players.

Germany's successful experience in Just Energy Transition, as explained by Dr. Georg Maue³⁰ during the 2019 RE Congress co-organized by the CentRE, was a result of strong government push on the one hand, and the response of RE developers in the market, and the broad public support for that transition policy on the other.

In the Philippines, the energy transition — if it be called that — is purely market-driven, always dependent on private investments. Given this backdrop, a Just Transition program in the Philippine power industry will take longer than expected, assuming the government considers it in its plans.

This is nothing less than tragic since electric utilities and communities involved in actual transitions have already reported positive outcomes in terms of electrification, creation of green jobs, and emission reduction.

Published stories in **REImagine a Bright Future**³¹ such as the RE projects of Benguet Electric Cooperative (BENECO) and Aklan Electric Cooperative (ANTECO), as well as that of the Romblon Electric Cooperative (ROMELCO)³², are good examples that demonstrate how actual transitions are done independently in the country.

Likewise, a number of smaller community RE projects like those on off-grid and isolated islands, schools, churches and in the social housing sector are also making headway owing to independent initiatives by civil society organizations (CSOs) in partnership with private RE developers. Scaling them up and sharing their wisdom and experience need strong government support.

There's no question about it: **Transitioning to a low-carbon future is very expensive and complicated. The shift requires both government and public support. Inaction, however, is not an option.** The Philippine government has already taken a bold step in embracing ambitious global commitments that also puts itself to a test. Its biggest challenge right now is how to mobilize more resources, both human and capital, in sustaining that bold spirit to ensure that a Just Transition in the Philippines is neither fake news nor a concept not worth the paper it is printed on.

END NOTES

- ¹ The decent work deficit is expressed in the absence of sufficient employment opportunities, inadequate social protection, the denial of rights at work and shortcomings in social dialogue. Available at https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_007843/lang--en/index.htm
- ² Adopted by ILO Governing Body, 2015 Geneva, Switzerland
- ³ The paper attempts to contribute to reducing conceptual deficits on green jobs by the rapid examination of issues from Philippine perspective. It endeavours to frame the Department of Labor and Employment's response to enable a just transition from jobs to green jobs. Available at <https://ils.dole.gov.ph/from-jobs-to-green-jobs-a-just-transition-framework/>
- ⁴ H.Res.109 Authored by Rep. Osario-Cortez Alexandria (D-NY-14) - Recognizing the duty of the Federal Government to create a Green New Deal. Available at <https://www.congress.gov/bill/116th-congress/house-resolution/109/text>
- ⁵ Sustainable Development Goals 1-17 (particularly goals 1 _ 8, 9, 13). Available at <https://sustainabledevelopment.un.org/post2015/transformingourworld>
- ⁶ Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. Available at <https://www.ilo.org/global/topics/decent-work/lang--en/index.htm>
- ⁷ Section 6. Role of Agencies Republic Act No. 10771, An Act Promoting the Creation of Green Jobs, Granting Incentives and Appropriating Funds Therefor

- ⁸ Greening the Philippine Manufacturing Industry Roadmap. Available at <http://industry.gov.ph/wp-content/uploads/2015/03/greening-the-phil-roadmap.pdf>
- ⁹ Green Skills for Green Jobs: Preparing the Filipino Workforce for the Green Economy. Available at http://www.tesda.gov.ph/Uploads/File/Planning2018/LMIR/20180621%20Green%20Jobs%20Skills%20Paper_for%20website%20upload.pdf
- ¹⁰ Renewable Energy Congress and Exhibit and SEECON Sustainable Energy Ecosystems International Conference, 25-27 September 2019, Waterfront Hotel, Lahug, Cebu City
- ¹¹ Focus Group Discussion on Just Transition, 02 August 2019, Max's Sct. Tuazon, Quezon City
- ¹² Environmental justice communities are communities most impacted by environmental harms and risks are typically referred to as “environmental justice (EJ) communities” or, as the USEPA defines them, “overburdened communities.” There are a few factors that go into identifying EJ communities, including where there is: (1) disproportionate exposure to environmental hazards and (2) increased vulnerability to said hazards. Available at <https://www.epa.gov/environmentaljustice>
- ¹³ 100 days on, Haiyan survivors need more jobs to recover. Available at https://www.ilo.org/global/about-the-ilo/multimedia/features/WCMS_235730/lang--en/index.htm
- ¹⁴ Natural disaster damage at P374B in 2006-2015. Available at <https://www.bworldonline.com/natural-disaster-damage-p374b-2006-2015/>
- ¹⁵ List of Power Plants as of June 30, 2019, Department of Energy. Available at <https://www.doe.gov.ph/list-existing-power-plants>
- ¹⁶ Philippine Statistics Authority Annual Survey for Philippine Business and Industry for Gas and Electricity, 2015

- ¹⁷ Focus Group Discussions with Genco and electric cooperatives unions held at Workers House and Max's Restaurant, July 7 and 2 Aug 2019
- ¹⁸ Customers who enjoy “Lifeline Rate”, which refers to the subsidized rate given to low-income captive market end-users who cannot afford to pay at full cost. Can be found in Section 4 (hh) RA 9136 Definition of Terms, Electric Power Industry Reform Act of 2001 or EPIRA.
- ¹⁹ “Captive Market” refers to electricity end-users who do not have the choice of a supplier of electricity, as may be determined by the Energy Regulatory Commission (ERC) in accordance with this Act. Can be found in Sec. 4 (c) of EPIRA.
- ²⁰ 2018 Annual Labor and Employment Status. Available at <https://psa.gov.ph/statistics/survey/labor-and-employment/labor-force-survey/title/2018%20Annual%20Labor%20and%20Employment%20Status>
- ²¹ Jeepney Operators and Drivers Associations
- ²² Tricycle Operators and Drivers Associations
- ²³ *Habal-habal* is a local term for a motorcycle with an improvised extended seat to accommodate more passengers. This is a usual mode of public transportation in rural areas in the Philippines.
- ²⁴ PSA Philippine Yearbook 2013/Transportation. Available at https://psa.gov.ph/sites/default/files/2013%20PY_Transportation.pdf
- ²⁵ Philippines in Figures 2018. Available at <https://psa.gov.ph/sites/default/files/PIF%202018.pdf>
- ²⁶ Provided under MC 2019-013 of the Land Transportation Franchising and Regulatory Board.
- ²⁷ Jeepney drivers object to high instalment rate of PUJ modernization loan program. Available at <https://www.untvweb.com/news/jeepney-drivers-object-to-high-installment-rate-of-puj-modernization-loan-program/>

- ²⁸ No budget allotted for PUV modernization in 2020, says Sen. Binay. Available at <https://www.gmanetwork.com/news/money/economy/710297/no-budget-allotted-for-puv-modernization-in-2020-says-sen-binay/story/>
- ²⁹ J. Mihin, Cha, JD, Manuel Pastor, Madeline Wander, Murp James Sadd, Rachel Morello-Frosch, A Roadmap to an Equitable Low-Carbon Future: Four Pillars for a Just Transition, APRIL 2019
- ³⁰ Senior Expert on Energy Efficiency Policy, Federal Ministry for Economic Affairs and Energy, German Embassy in Manila
- ³¹ Published by the Friedrich Ebert Stiftung (FES) and the Center for Empowerment, Innovation and Training for Renewable Energy (CentRE), 2019
- ³² Fortaleza, Wilson, The 90-10 Vision: How it's being done in Romblon, Getting theRE Magazine published by the Center for Power Issues and Initiatives and Friedrich Ebert Stiftung, 2016

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Sentro ng mga Nagkakaisa at Progresibong Manggagawa (SENTRO) is a national labor center composed of national industry unions, and sectoral and territorial formations. Its activities include organizing power unions; conducting trade union education work; negotiation of CBA; handling paralegal program and cases; campaigning against corporatization of electric cooperatives; developing alternatives; and pursuing the advocacy of trade union for energy democracy.

National Union of Workers in the Power Industry (POWER) is the Industry formation of SENTRO. The POWER pays homage to the historic sacrifices and victories of the working people who have fought by shaping a world where potentials of human beings are assured. It pledges to carry on the struggle by adhering to the Workers' Democracy, Solidarity, Equality, Self-reliance, Workers' Power, Social transformation as a holistic project, Environmental and Climate Justice and Social Movement Unionism.



Romblon Electric Cooperative (ROMELCO) is a non-stock, non-profit cooperative that supplies and delivers electricity to commercial and residential end users in Romblon. Currently, it has a 90-10 vision for Romblon group of islands: 90% renewable energy by 2020, with diesel covering only 10%.

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The Center for Empowerment, Innovation and Training on Renewable Energy (CentRE) is a not-for-profit association of RE advocates, developers, researchers, experts and social impact investors pursuing full deployment of RE in the country to address energy poverty, high electricity rates, and climate change in a just, sustainable and democratic manner.

With diverse expertise of its members – CSOs, private industry players, electric cooperatives, academic centers and individuals engaging on energy, climate, environment and good governance – the CentRE is envisaged as a hub for knowledge, social innovation, policy studies, advocacy and community empowerment towards achieving 100 percent renewable energy.

Its goals: RE-CLAIM – realize **RE** through **C**apacity building, **L**inkages, **A**dvocacy, **I**nnovation and **M**obilization.

Center for Empowerment, Innovation, and Training on Renewable Energy
Unit 2804 Discovery Center, 25 ADB Avenue, Ortigas Center, Pasig City
centreph2018@gmail.com | <http://thecentre.ph> | **FB: TheCENTREPhilippines**