Adressing the social implications of green growth
Employment, incomes and social inclusion in a greener economy

Peter Poschen (ILO)
OECD Green Growth Forum
Paris, 13 November 2014
Back to the old dilemma? 
e.g. US

US Public's Priorities

(Pew Research Center, 20 answer categories, multiple answers possible)

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment</th>
<th>Environment</th>
<th>Global Warming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2007</td>
<td>57%</td>
<td>57%</td>
<td>38%</td>
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<tr>
<td>Jan 2008</td>
<td>61%</td>
<td>56%</td>
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<tr>
<td>Jan 2009</td>
<td>82%</td>
<td>41%</td>
<td>30%</td>
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<tr>
<td>Jan 2010</td>
<td>81%</td>
<td>44%</td>
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<tr>
<td>Jan 2011</td>
<td>84%</td>
<td>40%</td>
<td>26%</td>
</tr>
<tr>
<td>Jan 2012</td>
<td>82%</td>
<td>43%</td>
<td>25%</td>
</tr>
<tr>
<td>Jan 2013</td>
<td>79%</td>
<td>52%</td>
<td>28%</td>
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<tr>
<td>Jan 2014</td>
<td>74%</td>
<td>49%</td>
<td>59%</td>
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</tbody>
</table>
2 ILO reports on sustainable development, environment and employment

**Rio+20**: quality jobs and decent work key to sustainable development and poverty reduction

**International Labour Conference 2013**:  
- Opportunities?  
- Challenges?  
- Trade-offs?  
- Just transition?
Seizing the opportunities

1. Job creation
   - A greener economy could lead to \( +0.5-2 \% \) more employment i.e. 15-60 million additional jobs

2. Improving the quality of existing jobs
   - Major opportunity e.g. in agriculture, waste management and recycling, building sector

3. Advancing social inclusion
   - E.g. Improving access to affordable renewable energy, energy efficient buildings and transport
COPING WITH THE CHALLENGES

1. Transition for enterprises, workers, communities in brown sectors
   - Prevent job losses by greening resource intensive industries
   - Restructuring, job losses, relocation

2. Adaption to climate change
   - Infrastructure, settlements, agriculture, water a.o.

3. Adverse impact on poor households green policies
   - Energy and resource prices
Key global messages

1. Environmental sustainability not an option, but a must for labour markets
2. Pro-active environmental and climate policies can lead to net employment gains compared to BAU
3. Major opportunities (more jobs, better jobs, social inclusion), but also challenges (job losses, adaptation, energy poverty)
4. Transitions on smaller scale than expected, but need to be just and managed
5. Policies matter (coherence economic, environmental and social policies)
Group 1: Active Labour and skills policies

Discussion leads and topics:

- Ulrike Lehr: Understanding labour market change
- Georg Schaefer: Green growth with employment orientation
- Janet Asherson: Job quality, including new risks in green jobs
- Youssef Naouar: Skills for green jobs
Conclusions
International Labour Conference 2013

• Sustainable development (including arresting climate change and adapting to it) only possible with active participation of world of work

• Identifies principles and sets out a policy framework for a just transition for all

• Just transition:
  – Country specific assessments social impacts
  – Social dialogue on policy
  – Coherent policies: macro, sectoral, social protection, skills and education, enterprises, labour markets
Policies for sustainable development with decent work and social inclusion

1. Coherent policies (Environmental, Economic, Social):
   1. Eco-taxes
   2. Green investments
   3. Small and Medium Enterprises

2. Decent work and sustainable development
   1. Social protection
   2. Education for green jobs/skills and anticipation of structural change
   3. Active labour market policies

3. Social dialogue
Economy-wide employment impact

Figure 1.5. Impact of a green economy on the volume and composition of employment

- **Gross effects**
  - Demand (C+i) +/− Trade x Employment elasticity
  - +/− TRADE
  - = Gross transition + Budget effects (prices) + Income multiplier

- **Net effects**
  - = Direct creation in sector - substitution + Indirect creation in supply chain + Indirect loss
  - = Net value chain + Creation - Loss + Induced
  - = Net induced + Induced

Assessment methodology

- Based on Social Accounting Matrix
- Estimates Direct, Indirect & Induced effects
- Allows for ‘What if’ Scenarios
  (E.g. if policy shifts 5% investment into green sectors - how many jobs will be created?)
Greening enterprises

Green Business Options:
China, East Africa, Indonesia

E.g. ILO Facility Green Youth Entrepreneurship 2010-2014

• Objective is 21,000 jobs for youth

Thailand

• Greening of hotel sector
• Energy efficiency through workplace cooperation
Brazil: Better jobs

Waste management & recycling

• ~ 60,000 workers in formalized recycling industry
• Approx 400,000 informal
• Cooperatives, service contracts, installations, fair wages and OSH
• New law: Tax reductions if recycling via cooperatives

➢ Inclusion in formal economy and social protection system
Global Study: Skills for green jobs (ILO 2011)

• 21 Countries in cooperation with the EU
• Shortage of qualified employees a bottleneck majority of countries and sectors
• Technology cannot be applied or efficiently used
• Not many new occupations, but major skill reprofiling
Small and Medium Enterprises targeted measures

Example France: Energy-saving refurbishments of buildings

- 2009 = 17% of the construction volume
- 2014 = 42%

New Qualification: Methods, Materials, Tools

Local Partnerships: ‘Maisons de l’Emploi et Développement Durable’ (EU project)
For additional information please see:


ILO.org/greenjobs
www.ilo.org/green-jobs-programme
www.ilo.org/sustainable-enterprises

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