More and better jobs? Labor market effects from green growth

Session “Active labor market and skills policies for green growth”

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More and better jobs?

Green jobs

1. Statistical definition comes recently to life
2. Increase by definition with growth in green sectors
3. By definition decent
4. NO implication if “more” or “less”

Job effects from green growth

1. Extend to all sectors
2. Employment from green growth > green jobs from green growth
3. Different in short-term and long-term perspective
Brown jobs from Green Growth

Inputs

- Steel
- Energy
- Currently coal based to a large extend

Jobs in the wind industry

- Steady growth
- High exports
- Impact on input industries
- Also “brown industries”
Net employment – balance of positive and negative effects

Important sectors contributing to greening the economy:

Renewable energy and

Energy Efficiency

When do they lead to more net jobs and what skill shift is required?
Macroeconomic model analysis

Scenario design:
Definition of different developments

Conversion in monetary impulses (e.g. electricity prices, investment differences)

Bottom-up models or specific analysis: Technology based analysis of individual measures

Macroeconomic effects evaluation in top-down models
It depends!

Case 1: energy demand = energy supply
- RE is additional => crowding out of fossil fuel
- Replace imports by domestic value added
- Price differences => burden sharing
- Investment effects + position on global markets
- Skills improve effectiveness and opportunities on global markets

Case 2: increasing, unmet demand
- RE is additional and complements fossil fuel
- Efficiency renders supply partly obsolete
- Replace imports by domestic value added
- Pays back through savings
- Investment effects, impacts on construction sector
- Skills are necessity for proper results
Is the Green Economy less efficient?

Shift from energy intensive production to labor intensive production

- (Imported) coal fired power to PV
- Gas and oil based heating to insulation

=> No efficiency loss

Examples

- German Energiewende (better growth, more jobs)
- Tunisian Solar Plan (additional employment, SME, private sector)
Examples

German Energiewende

Tunisian Solar Plan

Ca. 3,400 direct jobs, ca. 2,500 indirect jobs

- Plan Solaire Tunisienn
- PREN (31)
- ...

Policy framework
Domestic demand

- Slowly increasing

Domestic industry
International demand

- Integration of production
- Intermediary products e.g. wind industry
- Exports to Morocco (VWH)
- Export of regulation (ROOSOL)

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Thank you for your attention!