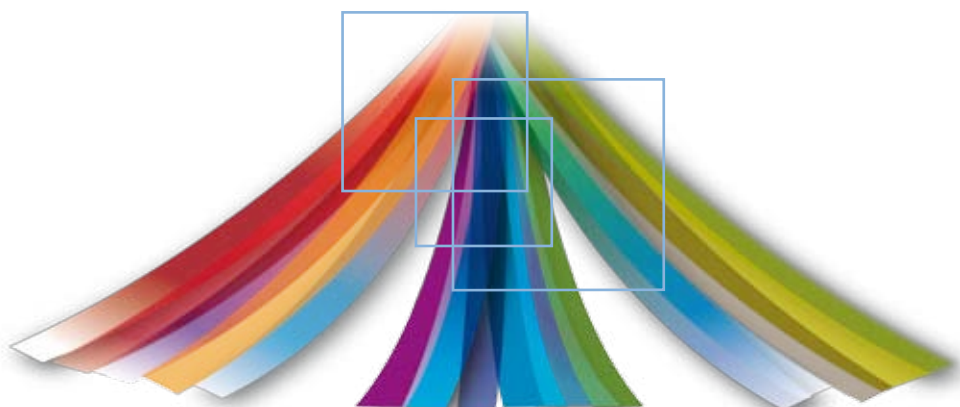


# GLOBAL JOBS PACT POLICY BRIEFS



International  
Labour  
Organization



## PROMOTING GREEN JOBS FOR RECOVERY AND SUSTAINABLE DEVELOPMENT

### 1. Executive summary

The response to the international crisis is an opportunity to change the way governments shape and implement economic development strategies. The mounting calls for a more sustainable development path – in social, economic, and environmental terms – and ultimately a “greener” world economy should be translated into policy measures that i) support communities, sectors, regions and workers, suffering from climate change, including through social dialogue

and expanded social protection, ii) promote investment in the creation of green jobs, and iii) strengthen skills and vocational training systems to respond better to emerging needs in the labour market. Each of these components forms a part of the Green Jobs Initiative,<sup>1</sup> a partnership of the ILO, UNEP, IOE, and ITUC.

<sup>1</sup> [www.ilo.org/integration/themes/greenjobs/index.htm](http://www.ilo.org/integration/themes/greenjobs/index.htm)

### 2. Description of the policy challenges

The current financial and economic crisis potentially exacerbates the continuing environmental degradation and the growing impact of climate change, if debt-strapped countries decide to put on hold their plans to promote a more sustainable development path. However, evidence suggests that many countries are combining measures to promote recovery from the economic crisis by addressing environmental degradation and attending to other key challenges, such as poverty reduction, food security and gender equality. This path can be charted by investing in green, clean and sustainable sectors, supporting the creation of sustainable enterprises and creating green jobs - especially for those who need them most.

The major policy challenge is to reconcile the gains of sustainable development with the claims for short-term answers to unemployment and poverty. The ILO's Global Jobs Pact is uniquely placed to stimulate and support social dialogue to discuss and agree on pathways for “just transition”. This notion marries the economic, social and envi-

ronmental dimensions of employment strategies towards a low-carbon “green” economy.

Workers and employers will be affected in different directions – positive and negative - by sustainable development policies. Policies to reduce unsustainable production patterns may contract employment and enterprises in some sectors, while policies to encourage, for example, renewable energy and low-emission transportation, are likely to expand employment opportunities. A fair and well-managed transition for workers and entrepreneurs through those rapid changes is required. Getting there requires, in turn, consultation and social dialogue, and active labour market policies, particularly relating to the needs of the most vulnerable. A critical component is governance at all levels.

Infrastructure investment is one of the main means of re-starting growth and creating jobs. Moreover, investment decisions taken today are going to determine global green-

*The Global Jobs Pact policy brief series is intended to inform readers of the relevance of the ILO's technical areas of work in addressing economic downturns as well as assisting in sustainable economic recoveries. Each brief is an invitation to the reader to contact the ILO for additional information and support.*

*More briefs can be found and downloaded at <http://www.ilo.org/jobspact>*



house gas emissions for tomorrow and a good number of years to come. Investments to stem or mitigate the causes of climate change and those needed for adapting to the effects can be used for creating employment on a large scale. Examples include infrastructure works for flood control, irrigation schemes to combat droughts, the insulation of buildings and changing transport from road to rail.

The promotion of sustainable enterprises in emerging sectors such as renewable energy, green housing and integrated waste management will reduce Green House Gas (GHG) emissions and other environmental impacts. Moreover, improving responsible management practices at and around the workplace can greatly contribute to cleaner, greener and safer practices, reducing emissions and preventing health care costs of occupationally related accidents and illness. The challenge is to show that efforts to green the workplace pay off in terms of higher productivity and greater competitiveness.

In turn, investments and enterprise development for a greener economy induce the demand for new competencies and a different kind of entrepreneurship skills. The structural changes wrought by the transition to green tech-

nologies or new energy sources modify the skills needed in labour markets. New “green collar” occupations will emerge and new types of skills and competences will need to be incorporated into existing occupational profiles. Developing new training curricula and launching green entrepreneurship promotion campaigns, for example among youth, should be grounded on the needs for these new requirements in the labour markets.

The overarching policy challenge is how best to coordinate employment and skills development policies with environmental and sector policies for more sustainable development and low-carbon economies. The time-lag to do so constitutes a supply constraint that in turn, delays the action on sustainability.

Finally, the concept of green economy should very clearly include the social dimension: education, health, social protection, gender equity and labour as the focus of policies and investments. Alternative adjustment measures should be assessed with the inclusion of the different social benefits accomplished. In terms of investments for the green economy (in energy, transport, shelter), the needs of the most vulnerable should be considered.

### 3. Policy options to address the challenges

#### *Green policy measures at a glance*<sup>2</sup>

According to a Hong Kong and Shanghai Banking Corporation (HSBC) study on green stimulus packages globally,<sup>3</sup> around 16 per cent of the US\$3.1 trillion in fiscal measures can be associated with climate change investment themes. This includes more than US\$512 billion with expected multiplier effects, as the total spending impact now tops US\$1 trillion. According to the research, China and the United States dominate the green stimulus landscape in absolute terms. However, the Republic of Korea has the highest proportion of package allocated to environment-related themes in the world followed by the EU and China.

The South African government has identified the green economy as one of the key elements in the new growth path and the industrial policy action plan. The South African government affirms that a global transition to a low-carbon, resource efficient and sustainable economy has a potential to create jobs across many sectors of the economy, and can become an engine of development. In May 2010, the Gov-

ernment hosted a high level Green Economy Summit under the overarching theme: “Towards a resource efficient, low carbon and pro-employment growth path”.

Well-tailored green components of recovery packages create jobs and stimulate the economy while achieving wider objectives of cleaner production and energy savings. The United States estimates that on average for every billion dollars invested in green recovery 30,000 jobs could be created and save the economy up to US\$450 million per year on energy costs.

Experts in China estimate that for every US\$100 billion of green investment, GDP would grow by US\$143 billion, tax revenues by US\$1 billion, and household consumption by

<sup>2</sup> This section builds on the research project “Skills for Green Jobs”, CEDE-FOP/ILO (Forthcoming, 2010)

<sup>3</sup> [www.globaldashboard.org/wp.../HSBC\\_Green\\_New\\_Deal.pdf](http://www.globaldashboard.org/wp.../HSBC_Green_New_Deal.pdf)



US\$60 billion. In addition, it is estimated that 600,000 new jobs would be created. The country's massive US\$586 billion stimulus programme is focused on infrastructure and public housing. Together, central and local government launched over 60,000 new infrastructure projects in the first eight months of 2009.

In addition to the stimulus package in France, the commitments of the Grenelle Environnement from 2009 until 2020 represent over US\$600 billion in further green measures. It is expected that this investment will generate more than 500,000 jobs and an annual return of about US\$30 billion.

In Germany, an estimated 13 per cent of the total stimulus packages (US\$105 billion) are expected to create 25,000 jobs in manufacturing and construction for retrofitting buildings for energy efficiency. Renewable energy accounted for 280,000 jobs in 2008 and planned investments, some of which will be financed out of the stimulus package, are expected to create more. This will include some 30,000 in the construction of offshore wind parks.

The energy conservation and green building investments that form part of the Republic of Korea's Green New Deal amount to 0.5 per cent of GDP, and the full low carbon strategy accounts for 1.2 per cent of GDP. These strategies are expected to create 181,000 and 334,000 jobs, respectively.

These measures are illustrative, but it should be noted that a green stimulus is not a replacement for a comprehensive policy to abate environmental degradation and climate change. The most successful programmes complement rather than replace longer-term climate and energy policies.

### **Green Jobs in practice**

As countries translate policies into actions, empirical infor-

mation on policy impacts is accumulating, as the examples below show:

**Brazil:** The Brazilian Labour and Employment Ministry together with the Environment Ministry are part of the Inter-ministerial Committee to pursue decent and green jobs initiatives aiming at a reduction of the environmental impact of economic activities. Examples are: i) the Amazon States promoting non-timber product value chains such as bio-cosmetics, medicines or fruits; ii) the programme "My house, my life" to build a million social houses equipped with solar thermal energy in the next two years. The ILO is working with the Brazilian government in the preparation of a training programme for workers in solar panel maintenance.

**India:** Under the National Rural Employment Guarantee Act (NREGA) people who are willing to do casual labour at the statutory minimum wage are entitled to be employed on public works without delay. More than 45 million households have been provided with employment through the Act. Many of the infrastructure works contribute to protect and to improve the natural environment: about 390,000 of the projects have been undertaken in water conservation, drought proofing and plantation, flood control, and rural connectivity, helping therefore to reduce poverty and adapt to climate change effects.

**East Africa:** A new ILO programme to support the Africa Commission promoting Youth Entrepreneurship in Tanzania, Uganda and Kenya has taken a green turn by including educational programmes and business creation campaigns in sectors like renewable energy, sustainable agriculture and waste management. Constituents and business partners have been trained on the green jobs concept and are now developing action plans on how to incorporate a green focus in their country strategies.

## **4. Conclusions and recommendations**

The growth of green jobs is encouraging. Green employment has gained an important foothold in the developed world, but with the major exception of China and Brazil, it is not yet a common feature in most developing countries. Yet these are the countries that account for the lion's share of the world's workforce. Continued efforts need to be made to promote green jobs at a faster pace and at a larger scale.

However, the rising level of informality in the global economy constitutes a major challenge to green job growth. Moreover, the chronic and worsening levels of inequality both within and between countries are a major impediment. The effort to advance decent work and pro-poor sustainable development as a single and integrated strategy is critical to building green jobs across the developing world in particular.



Green policy initiatives and greater policy coherence are a prerequisite for recovery and sustainable development. Social dialogue and broader efforts to involve civil society and engage the private sector are keys to raise understanding of the pathways for green growth and to put weight behind practical measures in support of a “just transition”. A good example are the bipartite consultations established at the sector level in Spain to discuss the implications of the Kyoto protocol on Spanish industry.

At the same time, communities, local government and the private sector need to be encouraged to innovate and apply contextualised approaches to green jobs promotion. This will advance the agenda in the absence of internationally binding agreements, and could eventually help to build a new momentum for much needed sustainable policy frameworks.

## 5. Further reading and resources

- ILO: *Green Jobs in the Context of the ILO Employment Sector*, a background prepared for International Labour Conference, 99 th Session, Geneva, 2010.
- R. Pollin and J. Wicks-Lim, 2008. *Job Opportunities for the Green Economy*, Political Economy Research Institute (Amherst, MA, University of Massachusetts).
- United Nations Environmental Programme (UNEP): *Green Jobs: Towards decent work in a sustainable, low-carbon world*, (UNEP/ILO/IOE/ITUC, Geneva, 2008.) Available at: [http://www.ilo.org/wcmsp5/groups/public/---dgreports/--dcomm/documents/publication/wcms\\_098503.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/--dcomm/documents/publication/wcms_098503.pdf)