Green Jobs and Just Transition to an Inclusive Green Economy

Skills for Green Jobs – Human Resource (HR) Summit Malaysia
27 November 2014

Lurraine Baybay Villacorta
Environment and Decent Work Specialist
International Labour Organization (ILO)
Decent Work Team-Bangkok / Regional Office for Asia & Pacific
Bangkok, Thailand
To reduce carbon emission up to 40% in terms of emission intensity of Gross Domestic Product (GDP) by 2020 compared with its 2005 levels, subject to assistance from developed countries.

...The PM’s Global Pledge

Green Jobs driving a Green(er) Economy for a Sustainable Future ... national goals in line with global commitments
Malaysia's NEW ECONOMIC MODEL

The National Green Technology Policy

The policy promotes the development of new green technologies in four main sectors: energy, buildings, water and waste management.

2010 Cabinet Committee on Green Technology with the Ministry of Energy, Green Technology and Water to support the development of new green industries and green jobs.
Outline of Talk
Green Jobs and Just transition to an Inclusive Green Economy

1 Introduction: Relevance
   1.1 Environmental Challenges
   1.2 Economic and Employment Challenges

2 Definition of Terms

3 Areas of Intervention-Just Transition
   3.1 Green Job Creation
   3.2 Ensuring Quality of Employment
   3.3 Advancing Inclusion
Green Jobs and Just transition to an Inclusive Green Economy

1 Introduction: Relevance

1.1 Environmental Challenges
1.2 Economic and Employment Challenges
AP is particular vulnerable to effects of CC/Environmental Challenges

1. Occurrence of natural disasters

Between 2002-12:
Greatest # people affected & killed

- 3.2x > Africa
- 5.4x > LAC
- 9x > North America
- 67x > Europe

Impact on GDP
2002-11 0.9%
[0.4% in others]

Source: Statistical Yearbook-AP 2013 UN-ESCAP
AP is particularly vulnerable to effects of CC

Environmental Challenges

2 Heavily populated coastlines and low-lying islands
Coastal erosion, saline intrusion, land losses

Red areas at risk to rising sea levels in Bangladesh
AP is particular vulnerable to effects of CC

Environmental challenges

3 Strong reliance on agriculture for Income and employment
- GDP Share of Agriculture in developing Asia (FAO, 5th World Water Forum)
- Crop yield in 2020 Temperature Rise & Extreme Weather Events

4 Dependence on marine resources greatly deteriorating due to municipal, agricultural & industrial pollution, unsustainable coastal management practices and over-fishing
- Coral reefs could be lost by 2020
  - 24 - 34%

1.2 billion people could experience freshwater scarcity by 2020
- Southeast, Central, East and South Asia (ADB, June 2009)
- 132 million people at risk of extreme hunger by 2050
  - South Asia most affected with South Africa- ADB, June 2009
AP is particularly vulnerable to effects of CC

Environmental challenges × other complicating factors

Demographics, urbanization; energy demand

Exposure to price volatility (food and oil)

- Increasing demography (South Asia) and demographic transition – changing age structure
- Home to almost half of global urban population-urbanizing faster than any other region [2012-1.96B 46% of region’s population live in urban areas; to reach 50% or +500M in 2020]
- Booming energy demand - next 20 years
BUT: The Asia & Pacific region now CONTRIBUTES significantly to the climate change problem
The AP region was responsible for >50% of total Green House Gas (GHG) emissions in 2010.

Source: Statistical Yearbook-AP 2013 UN-ESCAP
Malaysia one of the Fastest Carbon Emission Growth in the World (PEMANDU, 2010)

Above average energy intensity of 34% [compared to developed /major economies]

(2007 data)
Asia’s Economic Growth and Employment challenges

Dramatic recovery from the global financial crisis of 2008-09 with growth rate at 8.4% in 2010

But ...

2011-6.8%
A slow down in 2011
Greatest in South-East Asia (economies dependent on exports)
8.0% in 2010 to 4.5% in 2011

Mixed employment trends, with deceleration in some key economies...

Employment, latest period 2013 & same period 2012

Source: Asia-Pacific Labour Market Update, ILO-ROAP
Even during period of remarkable growth, employment remained low.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>10.5</td>
<td>0.9</td>
</tr>
<tr>
<td>India</td>
<td>7.0</td>
<td>2.4</td>
</tr>
<tr>
<td>Indonesia</td>
<td>5.4</td>
<td>1.7</td>
</tr>
<tr>
<td>Japan</td>
<td>1.4</td>
<td>-0.1</td>
</tr>
<tr>
<td>Korea, Rep. of</td>
<td>4.4</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Malaysia</strong></td>
<td><strong>5.7</strong></td>
<td><strong>1.8</strong></td>
</tr>
<tr>
<td>Mongolia</td>
<td>8.2</td>
<td>3.2</td>
</tr>
<tr>
<td>Pakistan</td>
<td>5.3</td>
<td>3.7</td>
</tr>
<tr>
<td>Philippines</td>
<td>5.3</td>
<td>2.8</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>6</td>
<td>1.7</td>
</tr>
<tr>
<td>Thailand</td>
<td>5.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>7.6</td>
<td>2.0</td>
</tr>
</tbody>
</table>
Unemployment low overall but young people remain especially vulnerable

Overall low-around 5% or <

Philippines-↑7-7.3%
Indonesia (for 1st time since 2005) ↑6.3%
Pakistan- 6%- total 8.8% women

Source: Asia-Pacific Labour Market Update, ILO-ROAP
4 Job quality for many remains poor—high shares of own account [pervasive informality & rising casual jobs]

Share of own-account and contributing family workers in total employment (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lao PDR</td>
<td>81</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>79</td>
</tr>
<tr>
<td>Nepal</td>
<td>75</td>
</tr>
<tr>
<td>India</td>
<td>66</td>
</tr>
<tr>
<td>Bhutan</td>
<td>64</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>63</td>
</tr>
<tr>
<td>Cambodia</td>
<td>63</td>
</tr>
<tr>
<td>Pakistan</td>
<td>59</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>58</td>
</tr>
<tr>
<td>Mongolia</td>
<td>52</td>
</tr>
<tr>
<td>Indonesia</td>
<td>48</td>
</tr>
<tr>
<td>Thailand</td>
<td>48</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>47</td>
</tr>
<tr>
<td>Philippines</td>
<td>46</td>
</tr>
<tr>
<td>Malaysia</td>
<td>42</td>
</tr>
<tr>
<td>Taiwan, China</td>
<td>24</td>
</tr>
<tr>
<td>Singapore</td>
<td>12</td>
</tr>
</tbody>
</table>

5 Low expenditures on social security

Social security expenditure by region, weighted by population, latest available year (percentage of GDP)

Sources: IMF, 2009; OECD, SOCTX (OECD, 2009a); ILO Social Security Inquiry (ILO, 2009c); ESSPROS (European Commission, 2009a); WHOSIS (WHO, 2009a)
6 Earnings for many remain too low to escape poverty

Share of workers living in poor households, most recent period (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Share of Workers Living in Poor Households (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>80.1</td>
</tr>
<tr>
<td>India</td>
<td>74.5</td>
</tr>
<tr>
<td>Nepal</td>
<td>74.1</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>73.6</td>
</tr>
<tr>
<td>East Timor</td>
<td>68.2</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>64.0</td>
</tr>
<tr>
<td>Myanmar</td>
<td>60.8</td>
</tr>
<tr>
<td>Pakistan</td>
<td>57.0</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>56.3</td>
</tr>
<tr>
<td>Cambodia</td>
<td>53.1</td>
</tr>
<tr>
<td>Indonesia</td>
<td>52.0</td>
</tr>
<tr>
<td>Bhutan</td>
<td>50.8</td>
</tr>
<tr>
<td>Fiji</td>
<td>49.7</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>44.2</td>
</tr>
<tr>
<td>Philippines</td>
<td>40.9</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>37.3</td>
</tr>
<tr>
<td>Mongolia</td>
<td>32.0</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>26.0</td>
</tr>
</tbody>
</table>


1990 2.4 Billion
2011 1.6 Billion

2011
743 million
people living in extreme poverty

Earnings for many remain too low to escape poverty.
CURRENT SITUATION [ILO ADB Report]

ASEAN integration in the global context

- 40% of workers are in low-income agriculture.
- 13% youth unemployment
- High informality, low social protection coverage.
- 59% in ‘vulnerable’ employment (own account plus unpaid family workers).
- Persisting gender disparities.

Public social security expenditure, most recent year (per cent of GDP)
Green Jobs and Just transition to an Inclusive Green Economy

2 Definition of Terms
What is the “Green Economy”?  
No Unique Definition

“one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities”  
UNEP

LOW CARBON, RESOURCE EFFICIENT,  
SOCIALLY INCLUSIVE
What are Green Jobs?
Current Policy Definition

Green jobs are decent jobs in agriculture, manufacturing or services that:

• Reduce consumption of energy and raw materials
• Limit greenhouse gas emissions
• Minimize waste and pollution
• Protect and restore ecosystems

(Source: Green Jobs: Towards decent work in a sustainable, low-carbon world UNEP/ILO/IOE/ITUC, 2008)

...help reduce environmental impact, ultimately to levels that are sustainable...

...jobs that help adapt to effects of Climate Change
What are Green Jobs?
New Statistical Definition

‘Green Jobs’ are jobs in the environmental sector that meets the requirements of decent work

...refer to a subset of the employment in the environmental sector that provides adequate wages, safe working conditions, promote and respect workers rights and social protection as well as ensures social dialogue

Source: ICLS 2013 - Guidelines concerning a statistical definition of employment in the environmental sector
What is the “Decent Work”? 

- Adequate incomes for basic needs
- Reasonable level of economic security
- Freedom, basic rights, opportunities
- Voice, self-esteem, self-fulfilment, dignity
Green Jobs in Malaysia

Key sectors [Mapped]:

Agriculture, fishery and forestry

Energy

Water and waste management
Solid waste management

Transport

Construction

Available in print and online at the Community of Practice on Green Jobs AP (http://apgreenjobs.ilo.org)
Green Jobs and Just transition to an Inclusive Green Economy

3 Areas of Intervention - Just Transition

3.1 Green Job Creation
3.2 Ensuring Quality of Employment
3.3 Advancing Inclusion
Key Areas of Interventions

Creating more jobs
- Greening will lead to net growth in employment

Ensuring quality employment
- Ensuring that jobs created meet decent work criteria
- Addressing issues specific to the informal sector/vulnerable employment

Advancing social inclusion
- Social protection policies, occupational changes, skills building and upgrading, retraining of workers
Creating More Jobs: Potential Job and Productivity Gains

The resource-intensive development model of the past will lead to rising costs, loss of productivity and disruption of economic activity: productivity levels would lower by 2.4% in 2030 and 7.2% by 2050 in a BAU (ILO Global Economic Linkages model).

Whereas a greener economy and more sustainable enterprises is creating tens of millions of green jobs: 15-60 million potential additional jobs globally over the next two decades.

At least half of the global workforce, the equivalent of 1.5 billion people, will be affected by the transition to a greener economy. **8 key sectors are expected to play a central role:** agriculture, forestry, fishing, energy, resource-intensive manufacturing, recycling, building and transport.

The Challenge: Labour Market Dynamics & the transition to a Green Economy

- Nearly **200 million unemployed** (74 million youth)
  - 500 million more job seekers over the next decade
  - 397 million workers are living in extreme poverty
- Environmental sustainability can be a **driver of economic growth**

**Green Jobs can be drivers of a green(er) economic growth**
International Labor Standards and major ILO policy statements are very relevant already to the international infrastructure on Sustainable Development & the transition to a Green Economy.
Advancing Social Inclusion:
Green Technologies developed in the transition offer possibilities for social inclusion and poverty reduction

Renewable Energy
- Improving access to affordable renewable energy to the 1.3 billion people globally without electricity access and the 2.7 billion without modern cooking energy;
- 70% of the electricity needs are cheapest met through renewable energy powered mini-grids (65%) and off-grid technology (45%) (IFC);

Green Entrepreneurship
- Through “cooperatives which presents a powerful social/economic mechanisms to overcome structural barriers to energy access and development
Legislation/Regulations

- **The Green Jobs Act (USDOL, 2007), enacted under the Energy Bill (2007).** Sets a multi-stakeholders committee which reports periodically on assessed needs for Green Jobs and facilitates access to financial schemes for the development of a skilled workforce in energy efficiency and renewable energy.

- **The National Employment Decree creating the Centre and National Employment Fund (Fiji, 2009).** Aim to provide for quality services relating to employment creation and productivity, the promotion of green jobs and green industries.
Social Dialogue

- **Multi-stakeholders Task Force on Climate Change and Green Jobs (India, 2009)**
  Government (DOL) and social partners decide on actions on green jobs

- **The Grenelle Environment Round Tables (France, 2007)**
  Dozens of round tables to pave the way towards a new form of competitive green economy. Paved the way for groundbreaking new legislation, Green Jobs Action Plan, etc;

- **Green Pact signed by constituents (Philippines, Dec 2009)**
  Government, workers, employers, academic societies, inter alia, agreed to take active steps to promote sustainable growth, greener jobs and workplaces.
<table>
<thead>
<tr>
<th>Impact on Jobs</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Created</td>
<td>Manufacturing of green technologies, green equipment, green services</td>
</tr>
<tr>
<td>Substituted</td>
<td>Shifting from fossil fuels to renewables</td>
</tr>
<tr>
<td>Eliminated (without direct replacement)</td>
<td>Packaging materials are discouraged or banned and production is discontinued, mining of asbestos</td>
</tr>
<tr>
<td>Transformed and redefined “greening”</td>
<td><strong>Skills sets</strong>, work methods and profiles of plumbers, electricians, metal workers, and construction workers greened</td>
</tr>
</tbody>
</table>
Skilling/Retraining

Impact on Jobs/ Employment

New Jobs Created will offset (some) of those lost

But those who will get the Green Jobs are not necessarily those who will have lost their jobs

Skills for Green Jobs

Skills and environmental policies need to come together (coordination at industry/sector/national level)-

STANDARDS
Thank you!

Lurraine Baybay Villacorta

villacorta@ilo.org

Join the Green Jobs Network!

http://apgreenjobs.ilo.org

International Labour Organization - Regional Office for Asia and the Pacific:


Green Jobs Programme (Asia-Pacific):