Green Jobs and Decent Work For an Inclusive Green Economy

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Outline of Discussion
Green Jobs and Decent Work for an Inclusive Green Economy

1. Definition of Terms
2. Relevance
   2.1 Environmental Challenges
   2.2 Economic and Employment Challenges
3. Areas of Intervention
   3.1 Relevance of Skills: Re-skilling/Retraining
Green Jobs and Decent Work for an Inclusive Green Economy

1 Definition of Terms
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 meet 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
A. Employment in production of environmental outputs is defined as employment in the production of environmental goods and services for consumption outside the producing unit.

B. Employment in environmental processes is defined as employment in the production of environmental goods and services for consumption within the producing unit.

Employment in environmental sector = A ∪ B
Employment created thanks to greening = A ∪ B ∪ D

Green jobs (Employment in Environmental Sector that is decent) = (A ∪ B) ∩ C
What is the “Decent Work”?
Concept and Measurement

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.

...Decent work sums up the aspirations of people in their working lives

...its four pillars are indispensable building blocks for Sustainable Development
4 Elements of Decent Work

• Adequate incomes for basic needs
• Reasonable level of economic security
• Freedom, basic rights, opportunities
• Voice, self-esteem, self-fulfilment, dignity
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
Green Economy vs Sustainable Development

Sustainable Development

...that meets the needs of the present generation without compromising the ability of future generations to meet their own needs.

Its three dimensions—economic, social and environmental being interrelated, of equal importance and to be addressed together.
BUT the shift to the Green Economy

-major transformations of production and consumption patterns
-will require the second greatest economic transformation in human history

owing to varying climate and environmental vulnerabilities
owing to labour-market dynamics

is not “Socially Inclusive” by Default
Green Jobs and Decent Work for an Inclusive Green Economy

2 Relevance

2.1 Environmental Challenges

2.2 Economic and Employment Challenges
Key environmental challenges in Asia & Pacific

**Climate Change Mitigation** - reduce emissions of green house gases (CO2 & others) inc. REDD+

**Climate Change Adaptation** - to adapt to the adverse effects of climate change inc. to increased intensity and frequency of extreme weather events

**Biodiversity Conservation** - prevent biodiversity losses inc. Sustainable agriculture, eco-systems and land use management

**Prevention of Desertification** - prevent/limit desertification, inc. river basin management, reforestation, erosion prevention, etc.

**Pollution Prevention and Control** - prevent pollution of environmental media such as air, water, waste, and soils (inc. Noise)

**Natural resource management** - management of water, fish stock, etc.
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
AP is particular vulnerable to effects of CC
Environmental Factors

1 Occurrence of natural disasters

Between 2002-12:
Greatest # people affected & killed

3.2 x > Africa
5.4 x > 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 Factors

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 Factors

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

132 million people at risk of extreme hunger by 2050
- South Asia most affected with South Africa - ADB, June 2009

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

1.2 billion people could experience freshwater scarcity by 2020
- Southeast, Central, East and South Asia (ADB, June 2009)
AP is particular vulnerable to effects of CC
Environmental Factors  X other complicating Factors

5  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

70 %
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

1 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>
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<tbody>
<tr>
<td>China</td>
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<td>India</td>
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<td>1.7</td>
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<tr>
<td>Japan</td>
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<td>Korea, Rep. of</td>
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<td>Malaysia</td>
<td>5.7</td>
<td>1.8</td>
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<td>Mongolia</td>
<td>8.2</td>
<td>3.2</td>
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<tr>
<td>Pakistan</td>
<td>5.3</td>
<td>3.7</td>
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<td>Philippines</td>
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<td>Sri Lanka</td>
<td>6</td>
<td>1.7</td>
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<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>
Asia’s Economic Growth and Employment challenges

1. 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
Asia’s Economic Growth and Employment challenges

4. Job quality for many remains poor—high shares of own account [pervasive informality & rising casual jobs]

![Bar chart showing share of own-account and contributing family workers in total employment (%)]

Asia’s Economic Growth and Employment challenges

5 Low expenditures on social security

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

Sources: IMF, 2009; OECD, SOCX (OECD, 2009a); ILO Social Security Inquiry (ILO, 2009c); ESSPROS (European Commission, 2009a); WHOSIS (WHO, 2009a)
Asia’s Economic Growth and Employment challenges

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 living in poor households (%), US$2 per day</th>
<th>Share living in poor households (%), US$1.25 per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>80.1</td>
<td>74.5</td>
</tr>
<tr>
<td>India</td>
<td>74.5</td>
<td>74.1</td>
</tr>
<tr>
<td>Nepal</td>
<td>73.6</td>
<td>68.2</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>68.2</td>
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<tr>
<td>East Timor</td>
<td>64.0</td>
<td>57.0</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>57.0</td>
<td>56.3</td>
</tr>
<tr>
<td>Myanmar</td>
<td>56.3</td>
<td>53.1</td>
</tr>
<tr>
<td>Pakistan</td>
<td>53.1</td>
<td>50.8</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>50.8</td>
<td>49.7</td>
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<tr>
<td>Cambodia</td>
<td>49.7</td>
<td>44.2</td>
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<tr>
<td>Indonesia</td>
<td>44.2</td>
<td>40.9</td>
</tr>
<tr>
<td>Bhutan</td>
<td>40.9</td>
<td></td>
</tr>
<tr>
<td>Fiji</td>
<td>37.3</td>
<td></td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>37.3</td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
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<td>Viet Nam</td>
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<tr>
<td>Mongolia</td>
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<td></td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>26.0</td>
<td></td>
</tr>
</tbody>
</table>


1990 2.4 Billion
2011 1.6 Billion
2011 743 million people living in extreme poverty
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,

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

Understanding the labour market dynamics is critical:

– Transitions will cause **shifts in the volume, composition and quality of employment** across sectors

– Affect the level and distribution of income

– **Environmental jobs** created in the process must be green and decent i.e. **Green Jobs**
Impact of the transformation on economic sectors

- **Emergence** of new sectors (e.g. Renewable Energy, etc.)
- **Change [decline]** in most exposed sectors - Energy Intensive Industries (EII) (energy, pulp & paper, steel, chemical, etc.)
- **Expansion** of ‘Green’ sectors (recycling economy, eco-tourism, etc.)
- **Evolution** in most sectors (Manufacturing, Construction, Transport, etc.)
Green Jobs and Decent Work for an Inclusive Green Economy

3 Areas of Intervention

3.1 Relevance of Skills: Re-skilling/Retraining
Key Areas of Interventions

Three intervention areas:

1. **Creating more jobs**
   - Providing evidence that greening will lead to net growth in employment

2. **Ensuring quality employment**
   - Ensuring that jobs created meet decent work criteria
   - Addressing issues specific to the informal sector

3. **Advancing social inclusion**
   - Social protection policies, occupational changes, skills building and upgrading, retraining of workers
102nd International Labour Conference (ILC) 2013 Conclusions–Achieving Decent Work, Green Jobs and Sustainable Jobs

....common vision for achieving decent work, green jobs and sustainable development
...acknowledge both opportunities and challenges
...provided guiding principles for greening of economies and enterprises

....Strategic Plan adopted in the recently concluded Governing Body 2013
102nd ILC Conclusions
Achieving Decent Work, Green Jobs & Sustainable Development

✓ economic restructuring, resulting in the displacement of workers and possible job losses and job creation attributable to the greening of enterprises and workplaces

✓ the need for enterprises, workplaces and communities to adapt to climate change to avoid loss of assets and livelihoods and involuntary migration

✓ adverse effects on the incomes of poor households from higher energy and commodity prices.
102nd ILC Conclusions
Achieving Decent Work, Green Jobs & Sustainable Development

✓ net gains in total employment - significant numbers of additional decent jobs through investments into environmentally sustainable production and consumption and management of natural resources

✓ improvements in job quality and incomes on a large scale from more productive processes as well as greener products and services in sectors like agriculture, construction, recycling and tourism;

✓ social inclusion through improved access to affordable, environmentally sustainable energy and payments for environmental services, for instance, which are of particular relevance to women and residents in rural areas
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.

Ensuring Quality of Jobs: 
The Challenge of Decent Work Indicators

4 Elements of Decent Work:

• Adequate incomes for basic needs
• Reasonable level of economic security
• Freedom, basic rights, opportunities
• Voice, self-esteem, self-fulfilment, dignity
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
Advancing Social Inclusion: Green Jobs

More and better jobs

Assessment of Green Jobs Actual/Potential

Support to Policy Implementation

Social Dialogue

Technical advice, Skills development, Entrepreneurship promotion

Green Jobs Strategy and Policy

Pilot Projects

More and better jobs
Inclusiveness: Building Skills for Green Jobs

Main findings of 21 country study:
- Underestimated growth of green sectors
- General lack of scientists and engineers
- National skill structure does not meet skills demand
- Low reputation of sectors - failure to attract trainees
- Poor coordination

- At different levels: enterprise, industry, government (national, regional, local), by universities, training providers, research institutes, NGOs and international donors
- Inside and outside existing education and training systems and mechanisms
- Fostering social dialogue

Source: ILO 2011 “Skills for green jobs: A global view” and other products from the EC and ILO joint management agreement “Knowledge sharing on early identification of skill needs”
**Impact on Jobs: Transition to Green Economy**

<table>
<thead>
<tr>
<th>Impact on Jobs</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Created</strong></td>
<td>Manufacturing of green technologies, green equipment, green services</td>
</tr>
<tr>
<td><strong>Substituted</strong></td>
<td>Shifting from fossil fuels to renewables</td>
</tr>
<tr>
<td><strong>Eliminated</strong></td>
<td>Packaging materials are discouraged or banned and production is discontinued, mining of asbestos</td>
</tr>
<tr>
<td><strong>Transformed and redefined “greening”</strong></td>
<td>Skills sets, work methods and profiles of plumbers, electricians, metal workers, and construction workers greened</td>
</tr>
</tbody>
</table>
Impact on Jobs:
Transition to Green Economy

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

Source: ILO 2011 “Skills for green jobs: A global view” and other products from the EC and ILO joint management agreement “Knowledge sharing on early identification of skill needs”
Strategies & Initiatives for Skills development

- ILO’s G20 Training Strategy – A Skilled Workforce for Strong, Sustainable and Balanced Growth
  - Skills shortages already pose a major barrier to green transitions and job creation
  - Need to facilitate the adjustment of labour markets
  - Policy coordination challenge to combine skills policies and environmental policies

- Greening of existing Competency Standards versus new Green Competency standards

- Greening C.S based vocational training policies

- Youth Apprenticeship Programs for Green Jobs (Green Jobs Corps)
Building the Policy Framework

Legislation/Regulations


- 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.
Building the Policy Framework

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 Grennelle 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 ground breaking 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.
Green stimulus

Global economic crisis response on both jobs and the environment

- G20 – committed to “support country-led green growth policies that promote environmentally sustainable global growth along with employment creation while ensuring energy access for the poor”

- ILO Global Jobs Pact – opportunity to “reconcile the gains of sustainable development with the claims for short-term answers to unemployment and poverty”

- Large green components of stimulus packages (Korea, China)
Korea Green New Deal: Employment Targetting
A case for linking Green Jobs employment creation targets to investments and sector based policies

<table>
<thead>
<tr>
<th>Project</th>
<th>Jobs</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refurbishment of the four rivers</td>
<td>199,960</td>
<td>14,477.6</td>
</tr>
<tr>
<td>Eco-friendly traffic network (railroads, etc.)</td>
<td>138,067</td>
<td>9,653.6</td>
</tr>
<tr>
<td>National green information (GIS) infrastructure</td>
<td>3,120</td>
<td>371.7</td>
</tr>
<tr>
<td>Water resource facilities (small and midsize dams)</td>
<td>16,132</td>
<td>942.2</td>
</tr>
<tr>
<td>Green cars and clean energy</td>
<td>14,348</td>
<td>2,052.7</td>
</tr>
<tr>
<td>Recycling resources (refuse-derived fuel, etc.)</td>
<td>16,196</td>
<td>930.0</td>
</tr>
<tr>
<td>Forest restoration</td>
<td>133,630</td>
<td>2,417.4</td>
</tr>
<tr>
<td>Energy conservation village and school</td>
<td>170,702</td>
<td>8,050.0</td>
</tr>
<tr>
<td>Environmentally friendly living space</td>
<td>10,789</td>
<td>483.8</td>
</tr>
</tbody>
</table>

Source: Ministry of Strategy and Finance
Thank you!

Lurraine Baybay Villacorta
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Join the Green Jobs Network!
http://apgreenjobs.ilo.org

International Labour Organization- Regional Office for Asia and the Pacific:
Green Jobs Programme (Asia-Pacific):