



Green policies and jobs for youth

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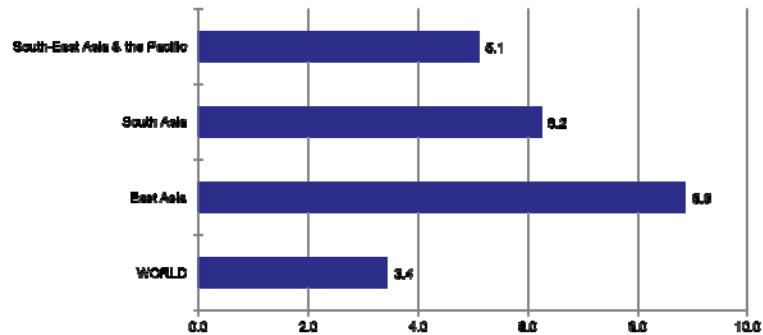
Overview

- **The context - Asia's economic growth and employment challenges**
- **Green policies and Jobs: Economic, Social and Environmental sustainability**
- **The policy mix for a 'double dividend'**

Diverse region but with remarkable economic growth...

Real gross domestic product, annual average change, 1990-2011 (%)

Source: IMF: World Economic Outlook Database, April 2012.



...has led to **poverty** reduction and improved **living standards**, in general; though the shadow of the Eurozone crisis appears to be having a sobering effect on growth since 2011 (especially in China and India).

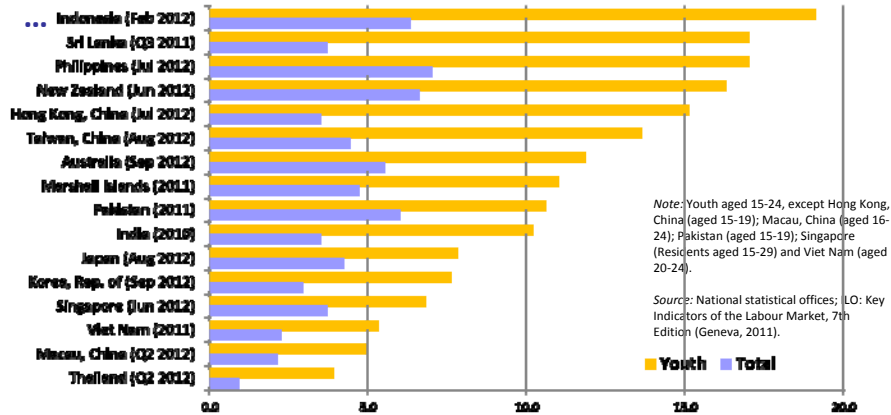
(2) But employment growth has been low in recent years...

Country	GDP Growth (2001-2008 average)	Employment Growth (2001-2008 average)
China	10.5	0.9
India	7.0	2.4
Indonesia	5.4	1.7
Japan	1.4	-0.1
Korea, Rep. of	4.4	1.4
Malaysia	5.7	1.8
Mongolia	8.2	3.2
Pakistan	5.3	3.7
Philippines	5.3	2.8
Sri Lanka	6	1.7
Thailand	5.2	1.7
Viet Nam	7.6	2.0

...while the demographic profile is mixed – South Asia in particular as well as Cambodia, Philippines, Indonesia, still have rising numbers of **young people in the labour force and many new entrants**.

(3) Youth Unemployment rates high and rising - 45% of all unemployed youth come from Asia and the Pacific

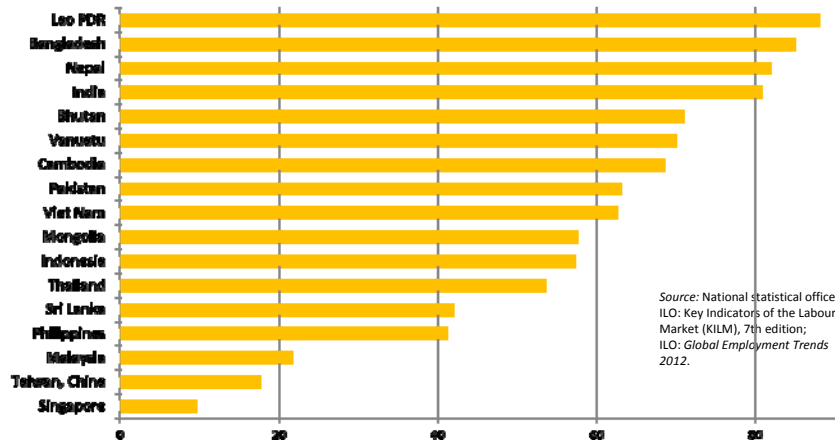
Total and youth unemployment rates, most recent period (%)



...young people still 3-5 times more likely to be unemployed than adults. Also, the rate of those not in employment, education nor training (NEET) is as high as 30% in Bangladesh and the Philippines.

(4) For many of those who are working - vulnerability remains high, reflecting poor job quality...

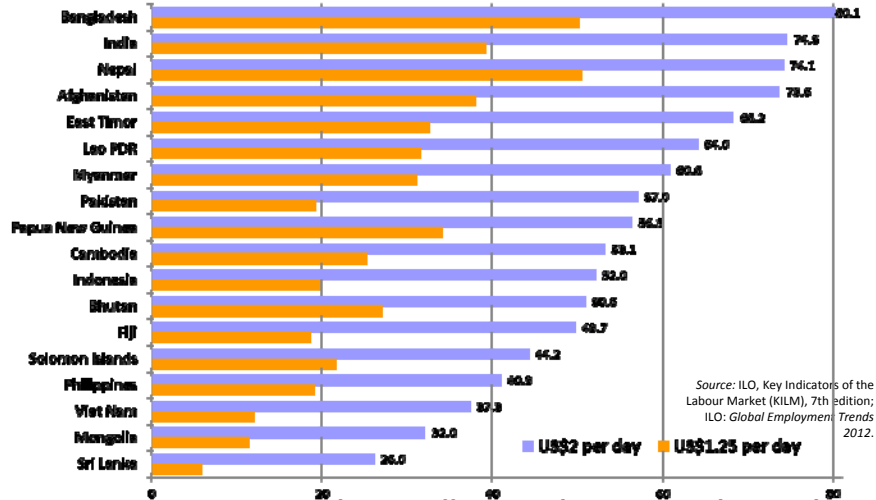
Share of own-account and contributing family workers in total employment (%)



...pervasive informality and rising casual jobs indicate precarious working conditions with limited social protection.

(5) Earnings for many are still too low to escape poverty...

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

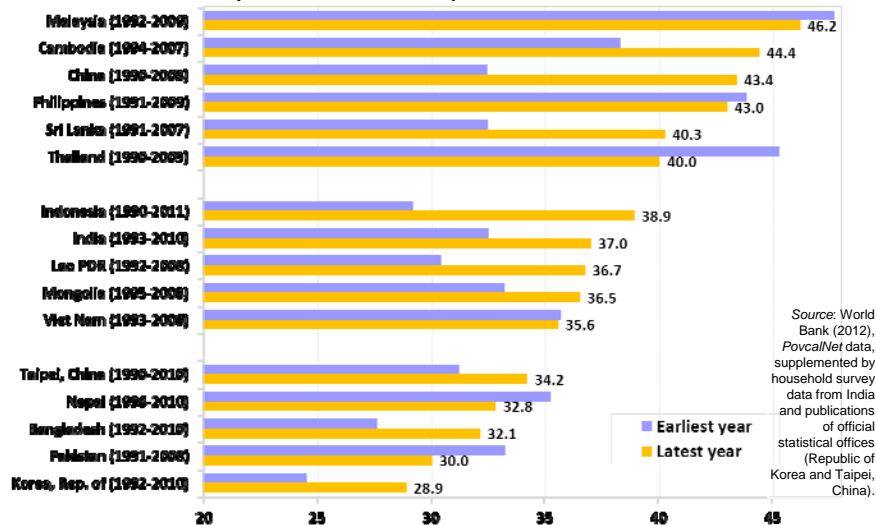


Source: ILO, Key Indicators of the Labour Market (KILM), 7th edition; ILO: Global Employment Trends 2012.

...as around 711 million workers in Asia live on less than US\$2 a day (296 million below US\$1.25).

All these have contributed to high and rising income inequality in the region...with implications for sustainable development

Gini Coefficient, earliest year in 1990s and latest year



Source: World Bank (2012), PovcalNet data, supplemented by household survey data from India and publications of official statistical offices (Republic of Korea and Taipei, China).

Also, Increasingly recognized that climate change induced by rising green house gas emissions a major threat to sustainable development...

So need to move towards environmentally sustainable policies – Rio +20 ..

Employment policies can contribute to a smooth transition to more sustainable green growth

- by identifying opportunities and challenges for green jobs,
- greening existing jobs and
- easing the phasing out of unsustainable jobs

What are the implications of green policies for the world of work?

Jobs destroyed and jobs created.

What would be the net employment impact?

Most studies suggest that net job creation likely to be positive

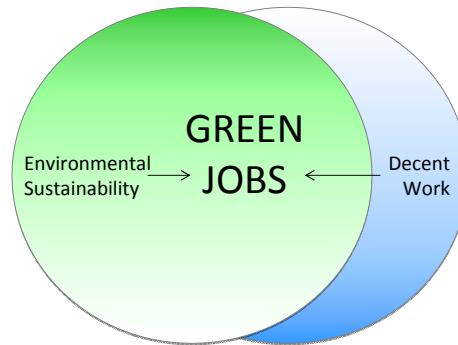
- Jobs that may evolve with time or be destroyed - in the high carbon sectors - ILO estimates, % (2009)
 - in developed countries about 40 percent
 - In developing countries about 33 percent, because the large agricultural sectors which are classified as less carbon intensive
- New Jobs in green sectors- new markets, 'green policies' to support labour demand
 - ILO estimates in 2009 indicate that even without technological change, green policies could raise employment by 14 million in a period of 5 years, if tax benefits used to cut labour taxes.

Need coherence between economic , employment and environmental policies to maximise net impact on jobs

- Tax incentives to low carbon industries to promote employment
- Tax revenue from high carbon sectors used to
 - Reduce labour tax in low carbon industries
 - Target specific groups and green sectors
- Subsidised credit, other support to SMEs in the green sector
- Skills anticipation and skill development support to green sector

Green Jobs = Environmentally friendly jobs + Decent Work

- Need to identify jobs that are both *green* and *decent*
- Some green sectors that depend heavily on natural resource management also display deficits in decent work (for example in shipbreaking, scavenging, recycling, etc.)...



Shifting to a Green Economy requires an Employment Impact Analysis

Interdependence between environmental , economic and employment issues – (the DY-SAM model a tool)

❖ Key aspects:

- **Technological choice and change**
- **Sectoral analysis** - which sectors become less competitive due to higher prices/taxes? How to ensure sustainability?
- **Labour market policies and programmes**
 - Targetted skills training and employment promotion, for example amongst youth
 - Protect Households/workers negatively affected (e.g. migrants due to drought, workers of declining brown industries)

Issues that need further analysis

What kind of skill set required to move towards a green jobs?

What was the impact of the 'green' stimulus packages in Asia - from both before and after the financial and economic crisis - from China, Korea, the Philippines, Japan, and others on employment?

Would regionally coordinated and uncoordinated green policies have different employment impacts?

What would be the distributional impact of green policies??

Concluding remarks

- Studies indicate that green policies bring net employment impacts, if coordinated with labour demand enhancing policies.
- On the labour supply side youth employment and youth skill mismatch of increasing concern



Therefore promoting green skills and jobs for youth implies a **'double dividend'**.

Provided : coherence between economic, environmental and employment policies

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Decent Work for All



Thank you

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