UNGA High-Level Panel: "Macroeconomic Policies to Finance Green Jobs and Social Protection"

Remarks by Mathias Cormann
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Secretary-General Guterres, Prime Minister Trudeau, Prime Minister Holness, Director-General Ryder, Esteemed Guests:

I am pleased to join today's discussion on the importance of building a job-rich and sustainable recovery.

The OECD's Green Recovery Database shows that USD 677 billion has been earmarked for environmentally-positive recovery measures.

If well-designed and implemented, such measures can help create up to 2.5 million jobs, according to IEA estimates.

But transitioning to a green economy can result in difficult transitions in the labour market.

Let me highlight three priorities to ensure everyone has the best possible opportunity to participate and benefit in the green transition.

First, connecting people to jobs.

This means supporting job creation through targeted and temporary hiring subsidies, and helping start-ups and young firms grow and find the talents and skills they need.

It also involves expanding active labour market policies to connect job-seekers to available jobs.

Around two-thirds of OECD countries have increased their budget for public employment services since the onset of the crisis.

But higher spending alone is not enough. How this money is spent also matters.[i]

Employment and training services need to be integrated, comprehensive, and individualised; they need to reach out to firms that create jobs and to people most at risk of long-term unemployment.

Second, investing in effective skills policies to help workers transition to growing sectors – such as renewable energy, energy and resource efficiency, or environmental services – that are likely to experience skills shortages.

We must redouble our efforts to promote a culture of lifelong learning, leverage training programmes to address bottlenecks to participation, strengthen career guidance to inform youth and adults about job prospects in emerging green sectors, and engage those who need training the most.

It is striking that workers whose jobs are at high risk of automation are only half as likely to engage in adult learning than their peers in jobs with lower risk of automation.

Third, closing gaps in social protection systems.

The COVID-19 crisis has highlighted that the insurance function of social protection does not work well for non-standard workers.

Even before the crisis, in several countries, workers on non-standard contracts were 40-50% less likely to benefit from unemployment benefits when out of work.[ii]

COVID-19 recovery packages have given us a once-in-a-generation opportunity to build a better world of work, to create new, green jobs and stronger social protection systems.

You can count on the OECD to support you every step of the way.

Thank you.

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[i] *Employment Outlook 2021*
[ii] *Employment Outlook 2019*