

Green Week Conference 2011

Session 2.1 - Smart policies for smart jobs:
Building skills for the economy of tomorrow

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**Employment and social policy within a
comprehensive green growth strategy:
An OECD perspective**

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Outline of the presentation



1. The OECD Green Growth Strategy (GGS)
2. The role of employment and social policy within a comprehensive GGS
3. What can we learn from labour market data and simulation models about how the job mix will change?
4. What can we learn from the ICT revolution and globalisation about how labour markets will have to evolve?

1. The OECD Green Growth Strategy



- Requested by **Ministers of Finance, Economy & Trade**, at the 2009 OECD Ministerial Council Meeting (MCM)
- Involves **25 OECD Committees**: delegates from Ministries of Agriculture, Economy, Environment, Employment, Development Co-operation, Industry, etc.
- **Synthesis Report for the 2011 MCM**: basic framework for national policy debates and further OECD work (Ministers will discuss it tomorrow in Paris)

2. The Role of Employment and Social Policy in Green Growth

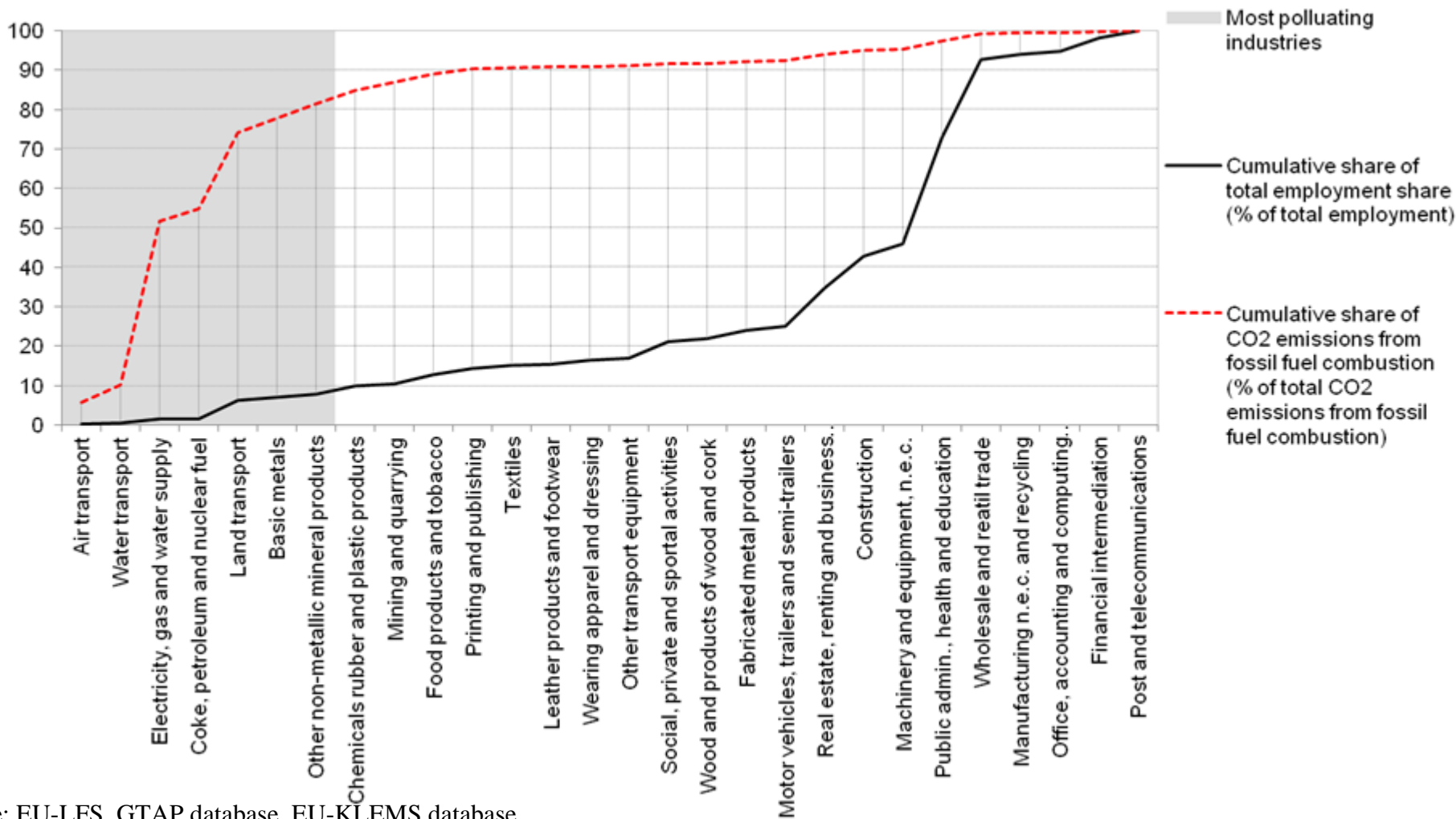


- E&S policies are crucial “supporting actors” in a comprehensive Green Growth Strategy
 - Environmental and innovation policies have the leading roles...
 - but production cannot be decoupled from environmental damage without also transforming work and the labour market
- Managing multiple types of labour market transitions will be key
 - Reallocation of workers from declining “brown” sectors and firms to growing green sectors and firms
 - Retraining workers on continuing jobs as they are re-engineered
- But this is complicated by our limited ability to predict what a green labour market will look like

3. Which are the most polluting jobs?



- “Brown jobs” account for only a small share of total employment in OECD countries



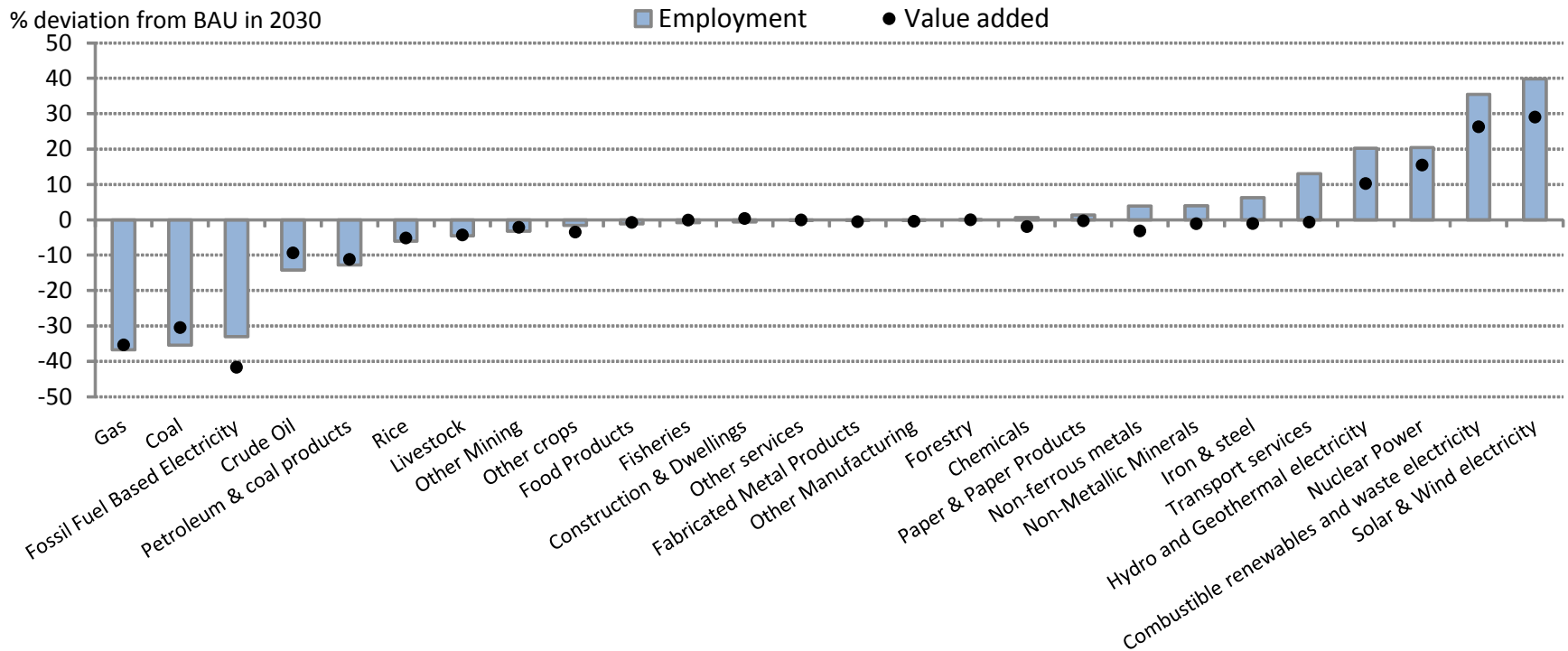
Source: EU-LFS, GTAP database, EU-KLEMS database

3. How is the job mix likely to change if carbon emissions are sharply reduced?



Job reallocation will increase

- ~ 1pc points more inter-sectoral job reallocation by 2030 (10pc points 1995-2005)



4. What can we learn from the ICT revolution and globalisation?



■ Similarities

- Particular sectors will be most affected, but indirect effects will reach all sectors (e.g. those resulting from rising energy prices)
- Labour reallocation will play a central role
- Green technologies will have deep and pervasive impacts on workers and job skill requirements in all sectors of the economy

■ Differences

- Not clear if green growth will raise overall skill requirements, but it will change the mix of skills in demand
- Green taxes recycled so as to reduce labour taxation may be able to reap “double-dividends” (i.e. less pollution and more jobs)
- Decoupling production from environmental damages may put downward pressure on wages as production cost rise relative to the output of marketable goods and services

Thank you