

GREEN JOBS & SUSTAINABILITY PAPER SERIES

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PART 2

Government Policies & Green Jobs

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EXECUTIVE SUMMARY

The first installment of this three-part series provided an examination of the defining criteria of *green jobs*, including the importance of ensuring that green jobs are decent jobs that provide fair wages, benefits, and worker protections. Climate-smart investments can create tens of millions of green jobs while mitigating climate change and its effects. This will further power growth by reducing the economic drag caused by air pollution-related health issues and lost productivity, damage to crops and lower agricultural yields, and the financial costs of extreme weather and natural disasters, among others. And sustainable investments across all sectors create more jobs per \$1MM spent compared to non-sustainable industries.

All of that is the why of green jobs creation. This installment looks at the how, particularly focusing on the role and importance of government policies, with a focus on a broad guiding framework that can inform the creation of effective policies that drive growing, green economies. The key points within this framework are:

- Ensuring buy-in and general consensus on goals and actions to be taken towards a sustainable economy and greener jobs;
- Protecting workers – both employed and unemployed – and prioritizing women, youth, and other marginalized groups with training and education programs preparing them for employment in new, greener industries and sectors;
- Creating an empowering and enabling green business environment through macroeconomic and growth policies, industrial and sectoral policies, and enterprise policies; and
- Recognizing that national and local contexts are key to effective policies.

With this framework in mind, the final installment of this series will look at case studies of some of the key initiatives and policies mitigating climate change by fostering the creation of green jobs in India, Bangladesh, Sri Lanka, and Nepal.

Government Policies and Green Jobs

Any substantial effort at creating green jobs, as with efforts to mitigate climate change, should be driven by effective government policies whether from central, state, district, or local levels. Policies can provide an overarching framework, guidelines, and targets for sustainable development and economic initiatives that need to be cut across multiple sectors to be effective. In terms of climate change mitigation and green jobs programs, however, this has not always been the case.

Instead, this work is often carried out on a project-by-project basis by separate implementing organizations, often from countries other than the ones in which they are working, and using their own set of metrics for monitoring, evaluating, and reporting impact. And many of these projects are smaller in scope and scale, targeting local communities or grassroots-level solutions. This is in part because the wide-ranging impacts of climate change and the equally broad, cross-sectoral changes necessary for impactful mitigation are beyond the capacity of individual organizations or companies to address at all effectively. It is also because funding structures and models for international development work are commonly project-based. This is still important work of course, and many such projects around the world have had demonstrable impact improving lives and helping communities adapt to climate change. But projects relying on restricted funding or being implemented on three- or five-year timelines are often unable to have the kind of long-term impact across sectors and swathes of society that is needed to avoid a deepening climate crisis. That is where government policies come in.

According to the United Nations Framework Convention on Climate Change (UNFCCC), government policies on climate change can generally be categorized as an approach to either mitigation or adaptation.

Mitigation policies aim to curb global heating and reduce greenhouse gas emissions including policies that promote transitions to renewable energy, subsidizing electric vehicles, or improving mass transit among others. Adaptation policies seek to help societies, individuals, and economies adjust to the effects of a changing climate. These can include promoting climate-resilient agriculture, reinforcing infrastructure in areas at risk of wildfires and sea-level rise, or strengthening disaster preparedness and recovery efforts. Almost all policies from both categories will impact job markets and employment opportunities.

As such, changes in the availability and quality of green jobs can most often be traced directly to government policies. Considering this level of potential impact, the following are useful guiding principles that can facilitate policymaking for a just transition to a sustainable economy and the creation of green jobs, as laid out by the UNFCCC.

1: Ensuring buy-in and creating consensus on goals and action plans among policymakers, the public, and other key stakeholders such as private sector companies

Creating buy-in at the outset is critical for developing and codifying environmental policies that will actually be adhered to and have broad support. Framing these discussions in terms of specific risks for a particular area or constituency reinforces the importance of creating sound policies for both mitigation and adaptation. Likewise, engaging as many key actors as possible will help with the sharing of power and decision-making across different levels of government that is necessary for developing policies that address specific local or regional contexts. This will also help build and strengthen collaborative efforts such as public-private partnerships and community-based initiatives.

Unfortunately, in reality, the individual stakeholders who would be most able to advance progressive policies and enact substantial change – senior government officials, heads of major private sector firms, major investors, and so on – are often not present for or as highly involved in discussions and decision-making processes as they ideally would be.

Instead, decisions are made in “nodal agencies” such as environment or agricultural ministries which are relatively weak politically and lack the power, capacity, or funding to enforce policies and regulations or mobilize other stakeholders. In other cases, including many national climate change plans created after the Paris Agreement, major national policies are created by donor-funded consultants with little actual input from policymakers and in-country leaders. While consultant contributions can be useful considering they may have levels of expertise beyond or in areas outside those of policymakers, there should be greater levels of institutional coordination and arrangements that facilitate participation from stakeholders at all levels. Ultimately, there may need to be other institutional reforms and improvements to governance structures that promote more effective communication channels, flexibility, and accountability.

Lastly, the process of creating buy-in and consensus is so critical to creating more sustainable economies and societies that some experts have argued that real progress may be less about reshaping governance structures or implementing new policies, and more about “an incremental and long-term process of convening willing actors and creating new spaces for engagement between different stakeholders.”

2: Emphasizing workers' rights, social protection measures, training and education programs, and gender-specific policies

As discussed in the previous installment in this paper series, it is critical for governments to work to ensure that green jobs created through environmental policies also fall under the category of decent jobs, providing safe working conditions and fair pay while meeting standards of human rights and international labour standards.

Policies that will lead to the creation of green jobs should be explicit in the effort to ensure decent jobs, including by prohibiting forced and child labour, recognizing a right to collective bargaining or unions, establishing minimum wage and minimum benefits, and requiring standards of occupational safety and health are met. This may also require institutional reforms that strengthen the authority and/or build the capacity of labour inspectorates charged with enforcing these regulations.

The creation of green jobs will inevitably lead to the elimination of jobs in unsustainable sectors, especially around fossil fuels like coal. This makes the inclusion of employment training and education programs a critical aspect of policymaking around green jobs. It is also crucial that these programs are designed to help youth, women, marginalized communities, at-risk workers, and rural communities in particular. Programs should also be created to help informal workers relying on fossil fuel industries move into the formal workforce or transition to other forms of employment. Following the completion of these training programs, policies should be in place to help facilitate entry into a new sustainable workforce, including through collaboration with trade unions, private sector companies, and other industry groups.

Lastly, when creating policies that will create green jobs, governments must recognize that the jobs being created may not be in the same geographic areas as the ones that are eliminated in the process. Social protection measures and active labour policies are key to alleviating the issues that will arise in this case. This includes employment services to help with job transitions and ensure there is a match between demand for and availability of skilled employees; unemployment insurance or other forms of minimum income to help those whose livelihoods have been eliminated; and access to healthcare and other services for the unemployed.

3: Creating an economic and social environment that enables and empowers private enterprises, workers, and consumers to help drive green businesses and sustainability

An economic and social environment that makes green business practices and, by extension, green jobs more feasible, attainable, and more attractive both financially and socially will help the overall push towards environmental sustainability and climate change mitigation. There are several key policy areas that fall under this guideline, according to the UNFCCC.

- Macroeconomic and growth policies can “promote sustainable production and consumption patterns” while emphasizing measures to achieve full, decent, and productive employment as a centerpiece.
- Complementary to these policies are industrial and sectoral policies that can help improve the performance of private sector companies in terms of sustainability and employment metrics while stimulating growth of and demand for green products and services.
- Lastly, enterprise policies will further intersect with these two areas as they focus on stimulating innovation and both domestic and international investment. Policymakers in this area should take care to emphasize micro, small, and medium-sized enterprises, given that most job creation happens in this area, as well as entrepreneurs.

Changes in each of these areas can have a knock-on effect of promoting sustainability and creating green jobs across sectors. It has also been shown that these kinds of market-based policies can encourage private sector companies to improve their own environmental footprint. Further tying these policies to a reduction in labour taxes, for example, can “improve environmental quality, boost economic growth and increase employment.”

Another salient example of the intersection of these areas and the impact that policies can have in creating a shift towards a greener economy across the board can be seen in government subsidies for “brown” industries.

Globally, governments spend \$500B annually subsidizing environmentally harmful industries and practices. Redirecting subsidies for fossil fuels, large-scale agriculture and livestock, and agricultural chemicals among others could shift demand and supply towards more sustainable products, foster greater innovation among green companies, and promote smaller-scale enterprises utilizing their environments in a more sustainable manner. In doing so, tens of millions of green jobs could be created worldwide, with most being in South Asia, sub-Saharan Africa, and the east Asia-Pacific regions.

4: Recognizing that context is always key and ensuring policies reflect local scenarios

This final point may seem obvious, but it can make or break all efforts at creating green jobs and a more sustainable economy. Neighboring countries may face similar effects from climate change, but the contexts of their business markets, education levels, and overall economic health and structure can drastically affect what policies will be most effective in a green transition. This remains true even when moving down to the state level: a coal-rich state will need to enact different policies than a neighboring state that bases its GDP on manufacturing or agriculture. There are no one-size-fits-all approaches to green policies and the creation of green jobs. The mixture and interaction between policies on macroeconomic levels, industries, and enterprises need to be both country- and state-specific, considering the overall stage of economic development, and the different industries, sectors, and enterprises that power the economy. Without doing so, overall action plans and national climate policies can end up being “an aggregate of existing or planned sectoral actions (e.g., expansion of irrigation) which have been included because of their potential contribution” to sustainability efforts. This has the effect of perpetuating a siloed approach to policymaking that impairs overall progress, stifles collaboration, and reduces buy-in. Ultimately, the need for specific contextual understanding and knowledge brings this back around to the need for buy-in, consensus, and the participation of key, influential stakeholders from all sectors and levels of government.

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