



## 15th Asia and the Pacific Regional Meeting

Kyoto, Japan, 4–7 December 2011

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### Report of special session on “Sustaining the Future with Green Jobs”

#### 15th Asia and the Pacific Regional Meeting - Monday, 5 December 2011

**Panel:**

- Mr Ashok Khosla, President, IUCN (Moderator)
- Ms Amita Sharma, Principal Secretary , Government of Madhya Pradesh
- Mr Najib Saab, Founding member and Secretary General of the Arab Forum for Environment & Development (AFED)
- Mr Kunio Senga, Director General, Southeast Asia Department, ADB

Dr Ashok Khosla, President, International Union for Conservation of Nature (IUCN), moderator for this session, opened the meeting and introduced the panellists. In his presentation entitled “*A Future for Asia and the Pacific with Decent, Green Jobs*” (see attached the full content of the PPT presentation), he presented the concept of Green Jobs as defined by the ILO and reviewed the conditions that are necessary for the creation of livelihoods and green jobs with decent work in the Asia and Pacific region. He mentioned concrete examples of the challenges that are encountered in the areas of social, economic and environmental development by using the specific case of India. Mr Khosla made the point that moving toward an environmentally friendly development path and environmental regeneration can contribute to the overall goal of the creation of decent, green jobs and poverty eradication.

Mr Khosla strengthened the role of mini-enterprises as well as that of self-employment as the main source of income in India where the informal sector remains dominant. Secondly, creating green jobs also means creating and supporting sustainable enterprises. Examples were given concerning the rejuvenation of natural resources, mangrove protection or traditional medicine. Creating sustainable enterprises helps create jobs in industries such as tailoring, fashion, mushroom culture, eco-tourism, and even in IT. He also highlighted the importance of infrastructure development at community level with projects including water and sanitation or road construction which help build up or maintain productive assets that are essential for local economic and social development.

Green enterprises have an important potential for job creation in informal sectors and in micro and small and medium enterprises, he said. Many initiatives have been taken in this area, including by the ILO. However, in order to maximise impact, it is important to ensure the right technological support is provided, together with skills development opportunities. The creation of such jobs also requires new types of financing, such as micro credit and institutional frameworks like self-help groups. Mr Khosla showed how the mini-enterprises which provide the highest number of jobs is the category which has received less capital from financial institutions in India. In his first concluding remarks, Dr Ashok Khosla suggested that the days of pilot programmes are over. It’s now been well established what is required and it is time to find and then use the money in the right place.

The intervention by **Mr Najib Saab**, Secretary General, Arab Forum for Environment and Development (AFED), focused on the main results of the recently published report by the AFED and entitled “*Sustainable Transition in a changing Arab World*”<sup>1</sup>. The report was compiled in the early days of the Arab Spring uprisings. Mr Saab explained that in his own opinion, the lack of opportunities for decent jobs was the key factor and the reason why people took to the street; especially young people. In Egypt, young people and unemployed youth represent 70 per cent and 25 per cent of the population of Egypt, respectively. It was therefore not surprising to see this youth uprising, one which was asking for better lives and better jobs.

The report explains that governments in the past have tended to use natural resources in a very inefficient manner and to treat them as if they were available for ever. Also, many Arab countries despite their abundant oil and gas reserves remain economically fragile. As extractive industries only generate a low level of employment, efforts to enlarge the economic base and be less dependent on the oil and gas industry are needed. In this context, moving towards a greener economy and green jobs can contribute to the process of job creation with decent work.

Several examples were given such in agriculture where new investments are needed to increase productivity which remains very low, employment and decent work including through the development of education and training programs. Waste management is a sector which could create around 12 million new jobs with an investment of US\$21million. The energy sector also presents a vast potential for development, considering the overall inefficiency of the current systems. It has been estimated that 4 million jobs could be created through an investment of US\$100 million on energy efficiency with a paid back period of five years.

Successful programs in the region include a subsidies-based program to encourage the use of energy-efficient light bulbs in Lebanon. This didn't create jobs, but reduced significantly the demand for energy and helped save valuable financial resources that could be used elsewhere. Another example is the introduction of solar water heaters with the targeted support of appropriate financial policies by the central bank. This helped achieve important savings in energy costs and created large numbers of new jobs in enterprises operating in this area of innovative green technologies. One lesson drawn from these experiences is that the private sector, cannot respond to these challenges on its own, but needs to be encouraged and supported by well-designed government policies.

The next panelist was **Mr Kunio Senga** from the Asian Development Bank (ADB). In his presentation, Mr Senga highlighted the employment opportunities created by "green stimulus" investments. He shared experience on green investments and presented what he considered the critical challenges and barriers in delivering on green jobs. The full text of the presentation of Mr Senga is available in Annex 1 to this report. On this last point, Mr Senga indicated that the financial concerns were at the top of the list of challenges, considering that public investments to date are clearly insufficient, and that without appropriate support from public funds it will be impossible for the private sector alone to respond to the dimensions of the challenge.

Secondly, Mr Senga considered that the accelerated transition to a green economy needs a profound reformulation of existing policies and taxes, which will require the introduction of sizable incentives to encourage the deployment of innovative technologies. He underlined the idea that the promotion of green technology and a sustainable environment would require full harmonization between social and economic concerns. Mr Senga concluded by highlighting the extreme importance of the mandate and work of the ILO in contributing to the promotion and adoption of green technologies and for the creation of green jobs.

**Ms Amita Sharma**, Principal Secretary, Government of Madhya Pradesh delivered a detailed presentation on the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA). In her presentation (see attached), Ms Sharma described how MNREGA contributes to the policy

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<sup>1</sup> See the full report at the following address;

architecture in India for inclusive growth through poverty alleviation and people-centric environmental strategies. Ms Sharma pointed out the positive impacts the programme has on employment, livelihoods and the environment at the local level and how the programme is being turned into a true strategic national instrument for sustainable development in rural areas. Although a large corpus of data and information has been produced already on the implementation of the program, more systematic and comprehensive analysis would be required on the impact of MNREGA in rural economic development in India, she said. It was also indicated that MNREGA could inspire a similar rights-based approach in promoting employment in urban areas in India.

The lack of time did not allow for an exchange of views during the session but the Workers' representative and the Employers' representative were invited to provide comments. In his intervention, Mr Paska, General Secretary, Papua New Guinea Trade Union Congress and the workers' representative for the meeting called for new policies and practices both at the national and international levels. Mr Paska called for all stakeholders to work together in putting decent work at the heart of this effort that would address skills, training and curriculum for green jobs while prompting and ensuring standards and rights at work. He mentioned the need to address in priority the situation of those often at risks which include such groups as migrant workers and women. The full transcription of the Workers' representative can be found in the Annex.

Mr O'Reilly, Chief Executive, Business (NZ) and the Employer's Representative for the meeting stated that the stories presented by the panel were inspiring and would remain with him for a long time. Mr O'Reilly stated that what needs to be taken from the session was not to have a "bright" dividing line between what we are doing now and what needs to be done to create and prompt green jobs. Instead, common efforts are needed to take forward the examples of how to green current approaches and strategies for economic growth and development rather than develop new green strategies for growth and development. A number of things that are being done today work but some will need to be adjusted to address the issue of climate change. In his view however, a few things remain clear, such as the need to address issues of corruption, improve the rule of law and improve access to capital. He concluded by highlighting that the more things change the more they stay the same – which is the need to work together for success.

The moderator closed the meeting by sharing his views that what needed to be known was well identified and that the time for grabbing real opportunities had come.

## Annex 1 – Full text of the intervention of Mr Senga, ADB.

Thank you very much, Dr Khosla. Ladies and gentlemen, good afternoon. I am very pleased to be invited to this session by International Labour Organization. As an ex ILO official long time ago, I feel like coming back home. This afternoon, after briefly touching on growth, social and environmental challenges in Asia and the Pacific, I would like to highlight employment opportunities created by "green stimulus" investments, share some experience on green investments, and present critical challenges and barriers to delivering on green jobs.

### **“Greening” Growth and Stimulus Investments**

Developing Asia has shown resilience throughout the global recession and is now consolidating its recovery. The region is forecast to grow by 6 to 7 per cent in the coming years. However, growth has been accompanied by increasing social and environmental challenges. In the region, over 1.7 billion remains poor. Climate change related impacts in Southeast Asia, alone, are estimated to cause economic losses of \$230 billion.

Indeed, economic inequality and environmental problems have increased, placing economic progress and social stability in jeopardy. In this context, job creation remains the foremost concern for most countries as the global economy contracts and joblessness increases.

Green stimulus investments are seen to be “win-win” in terms of recovery from the economic crisis and putting in place more environmentally sustainable growth. The strategies of a number of countries in Asia emphasize movement towards a green future by making a growth process more resource-efficient, cleaner, and more resilient. In this context, “green jobs” contribute towards environmental improvement and reduce carbon dependency, while stimulating innovation and growth in key sectors.

Post 2008, stimulus investments in renewable energy generation, carbon capture and storage, energy efficiency of public buildings, public transport, and efficient water and sanitation infrastructure are providing extensive employment opportunities in more labour-intensive industries. A recent study indicates, for instance, that renewable energy investments generate 1.8 to 4 times more jobs per megawatt installed than conventional energy sources.

### **What ADB is doing on green investments?**

Now, I would like to share some of our successful experiences on green investments. The mission of the Asian Development Bank is to help its member countries reduce poverty and improve living conditions and quality of life. One of our strategic agendas is to promote environmentally sustainable growth. ADB has initiated ambitious and catalytic interventions to promote transformational change in clean energy, integrated natural and water resource management, sustainable transport and climate resilient urban development. Last year ADB approved 50 projects focused on environmental sustainability, totalling about \$4.8 billion.

We are **Expanding the Use of Clean and Renewable Energy**. The Energy Efficiency Initiative in 2005 to push ADB’s clean energy investments has evolved into the Clean Energy Program with a yearly approval target of \$2 billion in investments by 2013. Last year ADB approved its first two solar energy projects in Thailand with private sector financing. We are also supporting India’s national solar program, aiming to develop 20,000 MW of solar power by 2022. We are also supporting Indonesia, under the Clean Technology Fund, to design and scale up geothermal power. ADB has also supported the development of off-grid electrification, providing the basis for small enterprises, rural electric cooperatives and enhanced market access. Another notable project is the development of mini-hydropower to supply Viet Nam’s remote islands and mountain communes.

We are **Promoting Sustainable Urban Development**. Two examples embedded in ADB’s “Green Cities” approach illustrate the new wave of investments targeted at generating sustainable urban infrastructure and livable cities – First, under the Hanoi Metro Rail Transport System Project in Viet

Nam, ADB is investing \$300 million to significantly alleviate existing traffic congestion and meet expected long-term transportation demand; and second, in the Philippines, we are working with the Government to transform the public transportation by widely adopting electric tricycles throughout the Philippines. Electric tricycles will have a carbon footprint and also generate local employment and marginal business for small enterprises.

We are **Greening (Environmental) Infrastructure as a Rural Development Pathway**. Investments in watersheds, rural infrastructure upgrades and improved water-use efficiencies will have significant benefits for rural employment generation. ADB is promoting integrated water resource management systems across key river basins. In the Philippines, for instance, we plan to support a project to institutionalize sustainable watershed management. This investment is projected to create 8 million person days of wage generating opportunities. ADB is helping Assam in India to reduce socioeconomic vulnerability and disruption caused by floods and river erosion. We are also upgrading infrastructure for drought management and disaster preparedness across the Region. A planned Greater Mekong Subregion investment will improve flood and drought risk management and reduce the vulnerability to floods of over 1 million people.

### **The challenges and barriers in delivering green jobs**

These successful experiences I have described have highlighted initiatives designed to promote green investments and facilitate the transition to green jobs. However, challenges and barriers are significant and I can indicate, at least, three important challenges here that need to be addressed.

#### **1. Financial concerns to accelerating green investments**

Despite impressive investment trends in support of green and low carbon growth, the actual volumes of financing are estimated to be insufficient to meet the global warming challenge – Bloomberg New Energy Finance, for example, estimates that by 2020, global investments needed to stabilize CO<sub>2</sub> emissions will be about \$150 billion short.

In this context, public investments, with concessional financing, will be essential to leverage private sector flows especially because green investments present unique risks for investors, including concerns about financial viability and cash flow profiles.

#### **2. Policies and Instruments.**

There are questions about what constitutes a comprehensive and “realistic” set of measures, tools and programs to support green jobs creation.

Supply and demand side policy interventions need to be aligned including introduction of environmentally related taxes, permits, charges and fees, and the removal of harmful subsidies on the supply side, and incentives for adoption of green technologies and innovation on the demand side.

#### **3. Structural Change and Training Needs**

Changes in employment structure can take place as the green growth agenda unfolds. In the process, we can expect displacement of jobs - for instance, from fossil fuel related jobs to renewables. The net employment benefit of these structural shifts is still an open question in some cases. Employment losses and/or gains are dependent on the rate at which clean and new technologies become cost-competitive and the ability to increase energy efficiency.

New jobs will be needed to carry out the transition to green economies. Countries need to establish pathways for training, skill development and advanced knowledge needed to serve the new green industries.

**In concluding**, I reiterate the key point – social, economic and environmental development need to be considered together. While society has to cope with the climate change, governments need to be active in promoting and supporting social resilience. Participatory approaches which empower people should assist in enabling them to promote green investments and generate green jobs. In this context, the role of the ILO is very crucial as it works to engage governments, employers and workers in dialogue on coherent policies and programs needed in a greener economy.

## **Annex 2 – Written text of the intervention of the Workers’ representative.**

Against a backdrop of ten acrimonious discourses on carbon emissions and climate change theme of “Green Jobs” has emerged as a relatively new addition to the Labour Market vernacular. While the jury may still be out for some, for many the verdict has been delivered in no uncertain terms. Rising sea levels are threatening to engulf many atolls and in some cases nation states. The island nation of Kiribati is a case in point. In the sub-continent and adjacent nations massive floods inundate vast areas of land wasting every food and cash crops while at the same time displacing innumerable populations. The poor and the most vulnerable including women, children and the disabled will be and have been the most affected.

This imposes huge responsibilities on governments and enterprises to ameliorate the negative fallout effects of climate change and the prerogatives of the market. Governments and enterprises however do not need to make choices between profits and monitoring social justice and human dignity. What is required is the introduction of innovative policies, strategies and measures aimed at dealing with the necessary changes that should be adopted. The formulation and debate on such measures and policies should include civil society at all levels, including forums and mechanisms already in place such as tripartite forums.

The ILO and the fraternal organizations have taken the lead and have done commendable work on this front. Indeed the focus on Decent Work very much encapsulates this effort. What we will be witnessing is a transforming period where new green technology will be introduced to work places. This in turn will entail the need for the design of new skills training curricula so that workers are not displaced and new entrants to the labour market receive the relevant skills training that meet decent jobs standards. This will require the recognition and upholding of ILO Conventions and Standards that deal with such areas as OSH, wages, trade union rights, equal opportunity and sound dialogue, etc. In short, the introduction of green technology and green jobs does not equate to compromising labour standards.

Small Pacific nations face unique challenges – Kiribati is the case in part where the island nations is not only being washed away but in some areas saturated with sea water thereby directly affecting fresh water supplies - thus, call for urgent international action on disaster and risk recovery as well as greater integration and cooperation. Island economies also depend largely on remittances from offshore workers. Measures should be introduced to mitigate any shortfalls in remittances as a result of anticipated job layoffs. Migrant and women workers may also be the first to be adversely affected during the transitional period and the introduction of green technology. Policies should be introduced to address possible negative fallout effects.