

# Green Economy and Sustainable Development: Bringing Back the Social Dimension CONFERENCE

# The Green and the Social: How Far, How Close in Latin America?

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### Brief

- Concept of green economy and social dimension
- Situation of Latin American countries
- Impacts
- Conclusions and challenges

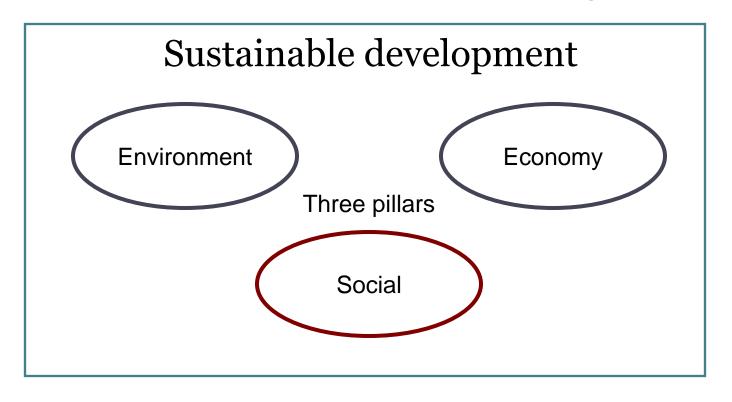
# It is a moment for change ...

Crisis: 3F



- Climate change
  - Impact on productive sectors
  - Social impacts
  - Developing countries are the less polluting, but will suffer more

# Concept of Green economy....



Rio + 20

Political debates on growth and employment

# How green economy will help

- Greening of growth 
   —→increase GDP
  - New productive sectors
  - Increasing efficiency and efficacy in the use of resources
- Green jobs

Sustainable economies, with use of renewable energies, higher levels of growth and poverty- reduction

What is missing?

Context Social impact

### The situation of LAC: some facts

Deforestation

Soil modification

Pollution in main cities

Unequal distribution of land

High rate of growth

70% employment on low productivity sector

Mining and energy, highly productive in the region, with low presence in total employment

Environment Economy
Three pillars
Social

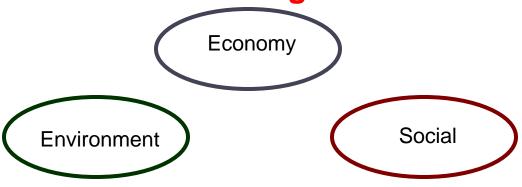
More unequal region: 0.54 Gini

Extreme poverty affects 11.3% of workers

Education inequalities: access and quality

#### The situation: the model in LA...





Productivity	GDP	Employment
High: mining, energy and finance	60.8	21.4
Medium: Industry and transport	25.1	29.4
Low: Agriculture, construction, commerce, community and personal services	14.1	49.2

Source: ECLAC 2010, Infante 2011.

# Green economy

#### **Key sectors**

Agriculture

**Fishery** 

**Forestry** 

Water

energy

**Buildings** 

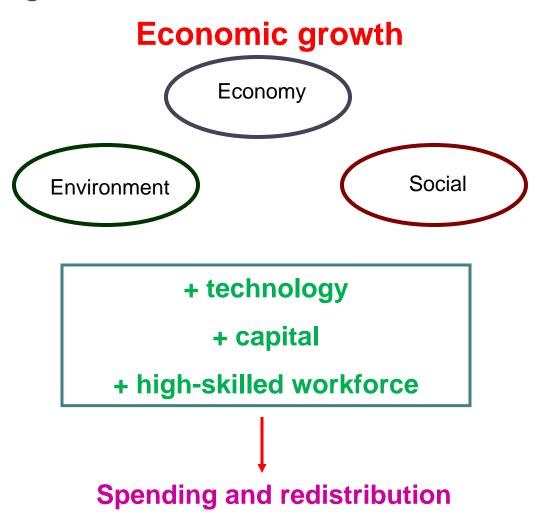
**Transport** 

Waste

**Manufacturing** 

**Tourism** 

Cities



# Impacts in LA

- Employment
- Rural Livelihoods
- Indirectly originated opportunities and risks

# Employment

Measures implemented

Effects

Expected impacts / considerations

Transformation and creation of (new) productive sectors Incentives and subsidies that promote them

Creation of green jobs Increase in the net rates of employment /b



The labour demand increases, but not necessarily leading to jobs that abide by the decent work standards.

New jobs demand worker's skills and training.

Risks of generating new exclusion poles between regions richer in assets (access to technology, high skilled workers, etc.).

Disincentives for unsustainable productive sectors: tariffs and taxes, removing environmentally harmful subsidies, international trade barriers on high-carbon products



Adopting new lesspolluting technologies increases the costs of production. Incentives to produce less and some sectors may see their profits fall.



Employment and wage cuts may affect specially those located in the low productivity sector and low skilled workers, or people reliant upon subsidies (e.g., fuel)

#### Rural Livelihoods

#### Measures implemented

Disincentives for unsustainable practices in the logging, fishing and agriculture sectors

#### **Effects**

Affects reliance on natural resources
Forces productive reconversion

#### Expected impacts / considerations

Increase poverty and vulnerability, in the absence of further measures

Availability of subsidies to promote sustainable agriculture

Direct benefits over some areas, increasing incomes and labour

Increases food availability in the long run due to sustainable production

Greater availability of food in the long term, increases food security

Might exclude those areas more affected by climate change, deforestation and desertification, where agriculture is not sustainable in the short term

# Opportunities and risks

Measures implemented

**Effects** 

Expected impacts / considerations

Promote the development of renewable energies

Essential for low carbon development, reduces prices of electricity and assures sustainability of its production

Reduces the barriers for poor households to access clean and renewable energy with no or low costs

Increasing public expenditure in green portfolios and plans

Smaller availability of resources for expanding social spending.

Social spending is kept the same or reduced due to resources prioritized in green economy investments, unless special caution is taken

# Green economy in LA...

**Productivity** 

High

**Medium** 

Low

+

Added social impacts

# Where to focus(LA)?

**Equality** 

# Economic structure

How to increase productivity in low sectors?

Policy coherence

# Social structure

How to reduce inequalities?
Gender? Ethnic?

#### **Environment**

### Protect and reform

**Equality** 

Increase productivity

- + New sectors
- + technology transfer
  - + training

Policy coherence

Social transfers/protection

Long term investment

Productive and social policy

**Spending reallocation?** 

**Environment**