CO-BENEFITS KNOWLEDGE COMMONS

Edition 2021/2022

Renewable energy, employment opportunities and skill requirements
Socio-economic assessment tools, key findings and expert contacts
Imprint

“Co-Benefits Knowledge Commons: Renewable energy, employment opportunities and skill requirements” is published by the COBENEFITS project in collaboration with the Sustainable Energy Jobs Working Group under IRENA’s Coalition for Action.

The COBENEFITS project is part of the International Climate Initiative (IKI). The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) supports this initiative on the basis of a decision adopted by the German Bundestag. The COBENEFITS project is coordinated by the Institute for Advanced Sustainability Studies (IASS, Lead) in partnership with the Renewables Academy (RENAC), Independent Institute for Environmental Issues (UfU) and International Energy Transition GmbH (IET).

The IRENA Sustainable Energy Jobs Working Group addresses knowledge gaps in sustainable energy jobs and provides analysis showcasing the energy transition’s ability to increase overall employment and benefit local economies. Formerly known as the Sustainable Energy Jobs Platform (SEJP), the Group also builds capacity through knowledge exchange and the sharing of best practices for a just and inclusive energy transition.

Editors: Franziska Sperfeld, Sarah Kovac, Sophie Dolinga, Laura Nagel, Héctor Rodríguez – UfU and IASS

November 2021
Renewable energy technologies are job boosters: in 2020, the renewable energy sector employed at least 12 million people around the globe.1

Many governments worldwide have recognized that the energy pathway they choose will not only have an impact on combating global warming and meeting climate goals, but also define the basis for their countries’ future development. Renewables can create sustainable jobs and improve the gender balance in the future energy sector.

To harness the full potential of the social and economic co-benefits of renewables and to build the skills base needed for the energy transition, decisionmakers depend on reliable data.

With this factsheet series, we seek to present the state of the art in assessing employment co-benefits, interconnecting climate friendly power planning and sustainable job creation.

This joint factsheet edition connects policymakers in local and national government agencies with expert organisations and contact persons, to quantify specific employment co-benefits, assess policy options and unlock potentials for people and communities.

We hope that this latest edition of Co-Benefits Knowledge Commons factsheets inspires scientists to carry out further work on the multiple social and economic co-benefits of renewable energy, and policymakers to raise ambition in climate mitigation efforts by working towards a rapid transition to low-carbon power sectors.

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About this edition

A first edition of the Knowledge Commons was launched in 2019 at the Climate Opportunity conference, hosted by the COBENEFITS project in Berlin. It presented latest assessment results, tools and policy measures to unlock the social and economic co-benefits of ambitious climate action with renewable energy.

With the 2021/2022 edition we present an update with a series of Co-Benefits Knowledge Commons factsheets, each compiling latest research and assessment tools on the co-benefits of decarbonizing the power sector:

1. Renewable energy, employment opportunities and skill requirements – in partnership with the Sustainable Energy Jobs Working Group under IRENA’s Coalition for Action
2. Air quality and health – in partnership with the Climate and Clean Air Coalition (CCAC)
3. Community well-being and sustainable livelihoods

As part of the 2021/2022 edition, the factsheet Renewable energy, employment opportunities and skill requirements, published in partnership with the Sustainable Energy Jobs Working Group under IRENA’s Coalition for Action, presents the state of the art in socio-economic assessment tools and recent research findings on employment effects of renewable energy and the energy transition in countries around the globe. The factsheets are accompanied by information on expert organisations and relevant contact persons.
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India has made significant progress in utilising its abundant renewable energy resources. The country has emerged as one of the leaders of the global energy transition, with a cumulative renewable energy installed capacity of 80.6 gigawatts (GW) as of July 2019, and has recently announced plans to further expand its renewable energy sector. Total generation capacity stands at 360 GW.

Notwithstanding these targets, the employment effects of the resulting changes in the power sector needs to be properly understood.

For the COBENEFITS project, employment effects of a shift from coal to renewable energies in the Indian electricity sector have been analyzed. The calculations are based on four different plans for expanding power generation in India presenting different intensities of decarbonisation in the South Asian country.

The study also provides an initial assessment of the skill requirements, attainment levels and technical training required for India’s present power sector plans and future low-carbon power sector ambitions.

**Employment coefficients of renewables**

India can almost double the number of jobs through the power sector by 2030 by following an ambitious decarbonisation pathway.

**Figure:** Projection of the net employment in the power sector in India in 2020, 2030 and 2050. The first two columns show the net employment figures under the scenario of expanding renewables according to the government’s NDC commitments. The third columns shows the net employment that is possible if the government follows IRENA’s REMap pathway. The figure for 2050 reflects the number of employees under the REMap scenario.
The study presents a value-chain-based approach by developing employment coefficients (full-time-equivalent jobs/MW/year) to analyze the workforce involved at various stages of the entire life cycle of different power generation technologies.

Four different scenarios for the development of employment in the power sector are assessed: Business as usual (BAU), NDC scenario, NDC PLUS scenario and the IRENA Remap scenario, all considering a consistent timeline between 2020 and 2050, but expressing different shares of renewables in the power sector.

**Indicators assessed**
- Full-time employment per MW per year, incl. direct, indirect and induced jobs
- Net employment in the Indian power sector from 2020 to 2050 in million full-time jobs following different scenarios
- Workforce distribution within the Indian renewables sector 2020 – 2050 and in the coal sector in million full-time jobs

**Renewables as a job generator**
- Renewable energy technologies tend to be more labour intensive than conventional energy technologies.
- India can significantly boost employment through the power sector by increasing the share of renewables. By electrifying the rural areas in the country with distributed renewable energy technologies such as small hydro, rooftop solar and biomass, the employment impact per installed capacity of these technologies is about 25 times greater than fossil-fuel based power generation.
- Skilling is the major need of the hour. Coal-sector-based employment is expected to decline by about 52% between 2020 and 2050. This transition, however, needs to be efficiently managed politically to mitigate negative impacts on displaced workers and communities.

**Harnessing green jobs**
- Manage the energy transition in the coal sector and coal-producing regions by the establishment of a new authority to re-skill workers from the coal sector.
- Install a system of accreditation and certification of local workers in procurement of renewable energy projects.
- Develop an online tracker to expedite skill development in the renewable energy sector to raise awareness on the urgency of skilled workforce and monitor progress.
- Improve data availability concerning employment in the RE sector.

**References**


South Africa has an abundance of renewable energy resources. This, combined with the recent drop in technology costs and the need for new power generation as coal power plants reach retirement, provides an opportunity for the country to decarbonise its electricity sector.

Managing this process will allow for a just transition in coal-dependent sectors and regions, thus opening new opportunities for current coal sector employees and other job seekers.

This study analyses the employment impacts of different scenarios for expanding electricity generation in South Africa’s power sector, taking into account various shares of renewables as power sources. This includes the resulting employment effects within the electricity sector, primarily focusing on coal and renewable energy sources.

It also provides an initial assessment of the skill attainment levels required for South Africa’s energy transition, and the potential for workers to transfer from the coal sector to the emerging renewable energy sector.

### Job creation by decarbonisation

**Decarbonising South Africa’s power sector will create 145,000 net jobs by 2050**

![Graph showing job creation by decarbonisation](image)

**Figure:** Projection of the net employment in the power sector in South Africa in 2020, 2030 and 2050. The share of different technologies is indicated by the respective colours. The „Current policy“ bar reflects the employment rate in case of the implementation of the Integrated Resource Plan 2016 (IRP 2016). Whereas the „Rapid decarbonisation“ bar reflects the employment rate in case of the implementation of the Department of Environmental Affairs (DEA) rapid decarbonisation plan. While no difference is yet observable, rapid decarbonisation is estimated to have created 17,000 more jobs than the current policy by 2050.
The assessment combines a qualitative analysis of interviews with key stakeholders with a quantitative analysis to estimate the gross and net employment impacts of increased renewable energy deployment. The International Jobs and Economic Development Impacts tool (I-JEDI) is used to assess the gross employment impacts, while the SATIMGE model is used to assess the net employment impacts. Four electricity generation scenarios from different government analyses are considered to evaluate the employment impacts associated with different shares of renewable power in South Africa’s electricity mix.

Methodology

Net employment in the power sector 2020 – 2050 by technology, following different scenarios, in FTE jobs
Cumulative job years in various working phases created by wind and solar PV in 2018 and 2030 (direct, indirect and induced)
Skill grade levels based on net employment impacts in the power sector (2020 – 2050), in FTE jobs (high-skilled, skilled, semi-skilled, unskilled)

References


With the shift from the current policy of the Integrated Resource Plan 2016 to DEAs rapid decarbonisation path, an additional 1.3 million jobs are estimated to be created economy-wide and 17,000 additional jobs in the power sector by 2050.
Progressively over the years and in all scenarios, the net economy-wide employment gains are obtained mainly in the service based sectors.
Across all scenarios, around 70% of new jobs created in the power sector by RE are high-skilled jobs, requiring at least a university degree.
A decline in demand for South African coal can be observed across all scenarios due to global developments. Across the employment scenarios, jobs in the coal sector are predicted to decline by 35–40% between 2020 and 2050.

Employment opportunities in numbers

Policies for a just energy transition

Building on the study results and discussions with political partners and knowledge partners, policy and regulations could be put in place in three areas in order to benefit from potential employment opportunities:
Create jobs along the value chain of the RE sector.
Manage the transition in the coal sector and regions as the global demand is declining.
Build the skills required for the future power sector in South Africa as the employment gains depend on the availability of a skilled labour force.
EMPLOYMENT OPPORTUNITIES AND LOCAL BENEFITS OF RENEWABLE ENERGY PROJECTS IN MEXICO

CO-BENEFITS MEXICO

GIZ and IASS

The Energy Transition Law goals (LTE) and the Nationally Determined Contributions (NDC) to the implementation of the Paris Agreement require adjusting the power generation mix of Mexico and the scale up of renewable energy. This study used two scenarios considering the future development of the Mexican power system from 2020 to 2049:

1. The Energy Transition Targets (MLTE) Scenario using the Mexican National Program for the Development of the Electricity Sector (PRODESEN 2019).
2. A Zero Carbon Transition (ZCT) Scenario where at least 75% of the electricity produced by 2049 is from clean energy.

The study assesses the employment opportunities in the power sector derived from a transformation of the Mexican power matrix and the skills gap derived from shifting from fossil fuels to renewable energy, as well as potential skills that must be fulfilled to deploy solar and wind power capacity.

Additionally, it analyses the potential direct savings in energy costs and income generation at the municipal level (households and SMEs) and indirect savings for the federal government from the reduction of subsidies related to Basic Supply Tariffs.

Figure: The bars indicate the direct and indirect employment years created by scaling up solar and wind renewable energy when achieving the goals traced by the LTE in the MLTE scenario and by shifting to a more ambitious decarbonisation pathway with the ZCT scenario. The lines indicate the MW additions for the MLTE and the ZCT scenarios.

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct MLTE</th>
<th>Indirect MLTE</th>
<th>Direct ZCT</th>
<th>Indirect ZCT</th>
<th>additions ZCT (MW)</th>
<th>additions MLTE (MW)</th>
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</thead>
<tbody>
<tr>
<td>2020-2024</td>
<td>219,623</td>
<td>247,124</td>
<td>274,012</td>
<td>510,841</td>
<td>682,013</td>
<td>651,326</td>
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<tr>
<td>2025-2029</td>
<td>193,258</td>
<td>219,427</td>
<td>141,409</td>
<td>261,851</td>
<td>610,336</td>
<td>369,474</td>
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<tr>
<td>2030-2034</td>
<td>262,412</td>
<td>438,187</td>
<td>603,115</td>
<td>660,008</td>
<td>802,887</td>
<td>1,228,468</td>
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<tr>
<td>2035-2049</td>
<td>261,624</td>
<td>239,619</td>
<td>261,824</td>
<td>354,617</td>
<td>457,042</td>
<td>504,672</td>
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<tr>
<td>2040-2044</td>
<td>214,144</td>
<td>37,732</td>
<td>41,864</td>
<td>42,483</td>
<td>56,224</td>
<td>93,069</td>
</tr>
<tr>
<td>2045-2049</td>
<td>16,882</td>
<td>18,705</td>
<td>16,547</td>
<td>32,177</td>
<td>26,946</td>
<td>26,670</td>
</tr>
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</table>

Creating employment, savings and income
This project used multiple methods to assess co-benefits and impacts from renewable energy deployment in Mexico, including literature review, interviews, workshops, data gathering and analysis, and modelling.

- The International Jobs and Economic Development Impacts (IJEDI) model from the National Renewable Energy Laboratory (NREL) was used to assess the future employment opportunities from wind and solar energy deployment.
- An analysis of the potential savings and income generation through the existing distributed generation schemes for PV.

**Methodology**

Employment generation from the construction and operations and maintenance of wind and solar PV capacity could generate 522,198 job years between 2020 and 2024 and up to 1,559,328 job years between 2045-2049. If Mexico would raise the ambition to a ZCT scenario, this numbers could raise to 638,330 job years (2020-2024), and 3,202,505 job years (2045-2049).

In the federal state Yucatan, it is estimated that the Industrial Medium Enterprise Sector could generate savings for 385 and 822 million pesos under net metering and wholesale schemes. Meanwhile in the federal state Oaxaca, the business sector could generate 70 million pesos of savings in net metering in the medium business, and 61 million pesos under wholesale scheme in the 2020-2024 period.

**Key findings**

Mexico can enable multiple co-benefits, however, there are identified barriers that are slowing down the process, such as lack of financing and access to funding, dissemination of benefits and externalities, infrastructure (mainly distribution), technological and innovation in renewable energies, alternative schemes or models for energy generation and cogeneration, coordination in the different levels of government.

The findings of the studies show that increasing the share of various renewable energies in Mexico’s electricity production mix can lead to an increase in overall employment across the economy compared to an increase in fossil fuels such as coal and natural gas.

**Conclusion and recommendations**

- **Direct, induced and indirect job years**
- **In construction and O&M**
- **By productive sector**
- **Number of enrolled and graduate students**
- **Employment demand in the renewable sector**

**Indicators assessed**

- **References**
As a result of the economic crisis, high levels of unemployment, many developing country governments understandably have a single-minded focus on social and economic improvement. Developing economic recovery plans coincides with the first NDC revision cycle where the Parties to the Paris Agreement are currently submitting their revised NDCs. **Aligning the NDC revision process with economic recovery plans could be a great opportunity for countries to address economic, employment, and climate objectives simultaneously.** Investigating the employment implications of NDC climate actions and targets, particularly in RE, could provide important insights regarding the type of energy technologies with the highest employment creation potential. This study assessed the **employment co-benefits of implementing renewable energy (RE) targets set in the NDCs in GGGI Member developing and emerging economies.** Quantitative NDC targets related to RE were identified and reviewed for 27 countries related to five RE technologies, namely 1) solar photovoltaic (utility scale), 2) onshore wind, 3) biomass, 4) geothermal, and 5) hydropower (large and small).
The assessment of the direct jobs is based on the Employment Factors (EF) approach. In addition, an extensive review of 30 NDCs, as well as National reports of quantifiable energy targets (additional installed capacity by 2030 in MWs) was conducted. Firstly, the study compiled EFs from the literature both for RE and fossil fuel–based energy technologies (i.e., oil, gas, and coal) for comparative purposes. Secondly, it utilized the EF approach to estimate the number of jobs that could be created if countries implement their NDC RE targets. The employment intensity of each stage of the value chain associated with an energy technology such as manufacturing, construction and installation and operation and maintenance, has been assessed separately. EFs were deemed apt as the indicative measure of job creation in this study, given that specific variables (e.g., labor productivity and local share) are appropriately adjusted to each country.

**Methodology**

- Focus on shovel-ready projects in the RE sector to attract private sector investments and realize climate goals.
- Plan ahead and develop skills enhancement and Vocational Education and Training Programs (VETP). Government sponsored VETP should address any knowledge and skills misalignments and assure that the necessary human resources are available and well equipped for private and public investments.
- Support data collection, monitoring and reporting methods in developing countries.

**Key findings**

- RE investments have major employment co-benefits for the green recovery of low income and emerging economies. Thus, investing in RE, solar, and wind as part of a green recovery strategy should still be prioritized.
- For 27 GGGI Member emerging and developing economies with quantifiable RE targets in their NDCs, the implementation of these commitments would lead cumulatively to more than 8 million job-years for the 11-year period until 2030.
- The majority of the employment co-benefits, well over 4 million job-years, are situated in just three emerging economies with large energy sectors: Indonesia, Mexico, and Vietnam.
- Some LDCs have significant numbers of employment co-benefits as well—particularly Cambodia, Ethiopia, Lao PDR, Myanmar, and Nepal—but these are dominated by hydropower-linked targets that dominate job creation.
- While absolute the job-year numbers are small for SIDS, employment benefits can still be significant as a share of the local labor market due to the small size of their economy.
- LDCs have very low RE targets in their NDCs that are linked to solar PV or onshore wind energy, thus leading to low employment co-benefits. Given that many of these countries, particularly in Africa, currently have very low access to energy rates, investments in RE, solar, and wind, while not driven by their current NDCs, can (or should) still be significant to achieve sustainable energy access for all.

**Actions to unlock co-benefits**

- **References**

This study from the Green European Foundation, working with Green House Think Tank (United Kingdom), Ecopolis (Hungary) and Green Foundation Ireland analyzed how a zero carbon vision for the economy would impact jobs in the energy; transport; buildings, waste reuse and recycling sectors in several countries. These practical impacts were calculated for the United Kingdom, Hungary and the Republic of Ireland. At this page, we have focused on the case of Hungary.

From the 8 GW capacity for power generation installed in Hungary, most of it is oil, gas, coal and nuclear. In 2015, only around 57 MW of hydro, 29 MW of solar and 300 MW of wind energy were installed, though there exists a significant potential for renewable energies. For Hungary, the researchers calculated new jobs associated with the installation of the necessary wind and solar power to change to an energy system powered solely by renewable energy, where electricity is used for transport and heating as well as its current uses. There have also been calculated the new full-time equivalent jobs in the NUTS2 regions of Hungary associated with wind and solar power during a transition period from 2018 to 2030, as well as full-time equivalent long-term jobs in maintenance and other.

Methodology

Based on a vision to reduce GHG emission to zero until 2030, the related job potential was calculated for all seven NUTS2 regions of Hungary. For the calculation, Eurostat data about the geographic area of interest was combined with job metrics from public sources describing hours of work and hence numbers of jobs per activity. The resulting estimates of number of jobs in each sector during a transition period from 2018 to 2030 and in the longer term are presented in total number of new, full-time equivalent (FTE) jobs in the energy sector.

Indicators assessed

- Capacity to be installed in MW (solar PV and wind)
- Transition jobs in full-time equivalent jobs (for solar and for wind)
- Long-term jobs in full-time equivalent jobs (for solar and for wind)
The research shows that a transition to a zero-carbon economy is possible and is going to involve a lot of work, and thus jobs.

- It is suggested to work towards a ‘just transition’ ensuring that new jobs are of similar or better quality as those lost, and that workers in fossil-fuel dependent activities are able to take up new ones.

- The study also shows that the transition leads to a shift in the location of new jobs. In the power sector, for example, a few large-scale power stations are replaced by more small scale renewable energy, changing the related jobs from a small number of places to a more dispersed pattern of jobs in installation and maintenance.
In order to fulfil the Paris Climate Change accords and to overcome extreme poverty, energy transitions are needed. Energy transitions demand much more than replacing polluting fuels with renewables; they entail deep societal transformations and consequently require the broadest possible participation and inclusiveness. Currently, women are representing at best one third of the labor force of the sustainable energy (SE) sector. Many women in SE work in administrative functions; in STEM jobs and at the decision-making level women’s share is much lower than one third.

Since jobs in SE are expected to grow significantly in the next decades, it is imperative to ensure that women can participate on an equal footing with men in the growth of the sector. The GWNET commissioned study “Women for Sustainable Energy – Fostering Women’s Talent for Transformational Change” presents a wide array of strategies that stakeholders employ already now to overcome unconscious bias and promote the participation of women in sustainable energy.

According to available statistics, at best one third of the labor force SE are women. When it comes to STEM professions, or leadership level functions the numbers are worse. Disaggregated data of good quality is in little supply which compounds the problem. This situation shortchanges women and deprives the energy transition of a critically needed talent-pool.

The study links this under-representation of women to severe obstacles – mostly connected to unconscious bias and traditional gender-stereotypes. It demonstrates that women are less likely than men to get hired for entry level employment. If hired, women are left behind from the moment they are hired, in terms of performance reviews and promotions.

Women experience greater difficulties when it comes to reconciling family and job responsibilities. These and other inequalities are reflected in the gender wage gap. The research also revealed a differential between women in men in terms of how aware they are of the prevailing gender inequalities. The study also demonstrates how companies, national economies, society at large and the world economy benefit from the involvement of women on an equal footing with men.

**Objective**

In order to fulfil the Paris Climate Change accords and to overcome extreme poverty, energy transitions are needed. Energy transitions demand much more than replacing polluting fuels with renewables; they entail deep societal transformations and consequently require the broadest possible participation and inclusiveness. Currently, women are representing at best one third of the labor force of the sustainable energy (SE) sector. Many women in SE work in administrative functions; in STEM jobs and at the decision-making level women’s share is much lower than one third.

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**Findings**

According to available statistics, at best one third of the labor force SE are women. When it comes to STEM professions, or leadership level functions the numbers are worse. Disaggregated data of good quality is in little supply which compounds the problem. This situation shortchanges women and deprives the energy transition of a critically needed talent-pool.

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**Gender parity across disciplines: still a long way to go**

<table>
<thead>
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<th>% of women entering tertiary-level studies (2015)</th>
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<tr>
<td>Education</td>
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<td>78%</td>
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**Figure 1:** Women remained underrepresented in STEM disciplines.

**Source:** Education at a Glance 2017, OECD Indicators
Methodology

The Global Women’s Network for the Energy Transition commissioned a study to answer the question: “What can we do to promote women’s employment in sustainable energy?” in 2019. The study assesses evidence from existing literature and uses data from semi-structured interviews of a random sample of 34 women and men from within the renewable energy sector.

Most of the information used in the study is derived from developed and emerging countries. The study draws on sector experiences and other economic sector standard practices to show how the highlighted hurdles can be successfully overcome. The report outlines workplace inclusion methods and shows specific examples that are already taking place in the energy sector and other industries. The study concludes with recommendations for individuals, (corporates, companies and educational institutes), government and international organizations, on appropriate strategies and measures for the SE sector.

Gains from gender inclusion

Figure 2: Economic gains from gender inclusion – reducing barriers to women in the workspace significantly boosts welfare and growth. Source: IMF, 2018.

Recommendations

Recommendations are divided into two sections: (1) What can be done to support women engaged in sustainable energy and (2) What can be done to make the sustainable energy sector more inclusive?

Recommendations on (1) include: considering top level actions such as revisiting and upgrading gender policy implementation; enhancing networking among and visibility of women by hosting conference events specifically targeting women. Capacity development is highlighted (training for public speaking, mentorship programs). In addition, focusing on flexible and family-friendly work schemes and support, implementing a good parental policy including flexible working & family support are also presented as key ways on improving the participation of women in SE.

Recommendations on (2) include: to project the SE sector as offering a much wider range of career opportunities than the “old” energy sector with technology overcoming traditional obstacles linked to sheer physical strength. In addition, promoting the values of the energy transition and the importance of diversity for mobilizing.
Green employment is an important indicator of the successful transition to a green economy. Analysis of the status of green and decent employment, and of the potential for future creation of green and decent jobs is therefore a necessary first step on the pathway to a green economy. Against this background, the International Labour Organization (ILO) is supporting a series of studies in an attempt to develop a method for the measurement of green and decent employment (the ILO Green Jobs Initiative).

This report contributes to the series in two ways: a) methodologically, by proposing rules for constructing a tool to measure direct and indirect jobs resulting from the green transition; and b) by presenting a quantitative analysis based on a case study of Tunisia. The quantitative analysis includes an ex-post evaluation and a simulation model for different future scenarios for green jobs. Tunisia has undergone tremendous social and economic changes since the revolution of 14 January 2011. The targets of the transition to a green economy overlap with some of the most pressing economic, environmental and social needs and challenges the country is facing.
Methodology

An Input-Output (IO) analysis has been applied to opens consider direct jobs, but also to calculate indirect jobs by tracking deeper employment impacts in the economy. For the analysis of future developments under different scenarios, IO tables are used to forecast future demand with the help of projections of GDP and population growth. Differing uptakes of green products are also allowed for in the demand equations. The result is a macro-driven, IO-based model “e3.tn” which serves to estimate employment impacts from greening under different assumptions.

It comprises Tunisian IO tables extended to capture the effects of increased energy efficiency and additional investment in renewable energy systems.

Infographic

Figure 2: Employment and the share of green jobs in Tunisia by 2030
Source: ILO, 2018

Key findings

The results of the study are quite encouraging. In 2010, there were almost 110,000 green jobs. This figure declined in 2011 due to the recession that followed the revolution but, according to the latest estimates, has slowly increased again to around 120,000. Assuming massive investment, 8,000 additional people will find work in the waste sector; developments in green energy and energy efficiency can create up to 30,000 additional jobs; and organic agriculture may provide 40,000 additional job opportunities. Taking indirect effects into consideration, a green strategy should yield 272,000 green jobs in Tunisia by 2030.

Conclusion

- Green sectors lower environmental pressures and create better and healthier living conditions. The costs of an additional job in most green (sub-)sectors are not much higher than in their conventional counterparts. Renewable energy currently involves additional costs, but past developments have shown how rapidly costs can come down.
- The simulation model and approach proposed here should be regarded as explorative. To simulate complete strategies with monetary incentives, the approach would need to be complemented by a system covering national accounts and budgets, as well as demand equations estimated from time series ...
The Lebanese Electricity Sector is highly dependent of imported fossil fuels. Fuel expenses for power generation and thermal use account for a very significant portion of the national GDP. With electricity tariffs heavily subsidized, these expenses substantially contribute to the country's national debt through the financial deficit of the state-owned power utility Electricité Du Liban (EDL). Furthermore, the country suffers a serious shortage of power supply that requires EDL to conduct load shedding, causing daily black outs of up to 16 hours per day.

Renewable energy (RE) can contribute to a potential solution to overcome some of these challenges. RE is expected to provide employment opportunities for people at all qualification levels. Experiences from other countries in the region and elsewhere has shown that this is possible under a stringent regulatory framework, ambitious plans and support for building the respective capacities.

This study compares RE sub-sectors and identifies three key RE value chains that have relatively larger potential for growth and job creation with a limited need for investment. Once key REs have been identified, a full-fledged value chain analysis has been carried to estimate the number of direct and indirect jobs in manufacturing, construction, installation, operation and maintenance of these renewable energies that can be created from 2010 until 2021.

To calculate direct jobs, OECD employment factors for different value chain phases were used to calculate the number of jobs created per MW of installed capacity. The value chain phases considered were manufacturing, construction and installation as well as operation and maintenance.

Indirect jobs have been estimated by using Input-Output-Tables including RE-specific input vectors. Those vectors illustrate how additional RE capacities translate into demand in other sectors and thus into additional employment. Jobs have been calculated in full-time jobs equivalents.

**Indicators assessed**

- Direct and indirect jobs from biogas, PV and wind from 2011 to 2021 in full-time equivalents
- Jobs per capacity installed expressed in megawatt for electricity generating technologies (MW)
The Lebanese industry can become more involved in the growth of RE and jobs. Especially the supply side with new possibilities for the production of RE parts and components is still too little developed.

The following recommendations to support the deployment of RE and related job creation in Lebanon have been made:

- Establish a central RE knowledge hub that provides general RE but also technology specific support and services
- Promote R&D and companies working on hybrid systems
- Implement a quality assurance framework for PV
- Provide education and training, especially for PV installers and wind service engineers

References
The Vietnamese Green Growth Strategy (VGGS) and Nationally Determined Contributions (NDC) to the implementation of the Paris Agreement, amongst other national economic planning documents, suggest and establish the need for a transition in the country’s energy sector to a low-carbon pathway.

Changing the structure of the power generation mix is therefore a key factor for a broad energy transition. Understanding the employment impacts of this shift to low-carbon power generation (especially with the use of renewable energy sources) is an imperative to mobilising efforts for a just energy transition.

This study therefore assesses the gross employment impacts of various power generation scenarios based on differing contributions of renewable energy. It also provides a comprehensive case study analysis of the skills required to drive this transition in the power sector.

**Infographic**

Replacing coal power plants in Vietnam with solar or wind will more than double the number of jobs per average MW capacity. Replacing coal with gas alone will lead to job losses.

Over a 15-year period, solar and wind will create 3.5 jobs and 2.8 jobs per average installed MW capacity, whereas coal creates only 1.4 jobs. Across all scenarios, around 80% of the jobs created in the power sector by the year 2030 are in construction and installation.
The assessment combines interviews with key RE stakeholders with a quantitative analysis to estimate gross employment impacts of increased RE deployment arising from specific scenarios.

- Four scenarios are analyzed for the future development of the power sector in Vietnam, including a BAU-scenario (PDP7 rev.), as well as scenarios that include higher shares of renewables in the future power generation mix.
- The quantitative analysis relies on a Vietnam-adapted Input-Output (I-O) model.
- The employment impacts are assessed for the period 2018 to 2030.

## Key findings

- For each direct job created in the power sector in Vietnam, two additional jobs (indirect & induced) are created in the country irrespective of the scenario assessed. More than 60% of jobs created through changes in the power sector are positive-increase employment opportunities in the broader Vietnamese economy.
- In the ambitious renewable energy scenario by GreenID, solar and wind power contribute over 20% of the jobs created in the power sector by 2030.
- A shift to the ambitious RE scenario will increase gross employment in the RE sector to approximately 434,000 job-years, a 38% increase from the PDP7 (rev.) scenario.
- By the year 2030, the demand for higher-skilled workers in the power sector is expected to grow by 31% for jobs during the construction and installation phase, and 25% for jobs in operation and maintenance.

## Conclusion and recommendations

With the decision by the Vietnamese Government to increase the share of renewables from 6% to 10.7% in the current power sector plan (PDP 7 rev.), the government paved the way to create 315,000 job-years through the power sector by the year 2030.

For wind and solar, around 25% of jobs created are for high-skilled workers. Therefore, the training capacities at universities and technical schools need to be reconciled with this development in order to meet the expected demand in the country.
Jobs in renewable energy (RE) have emerged as a key issue for the energy transition. Skill and labour shortages have been a recurrent problem as ‘boom-bust’ cycles have been repeated. This has led to offshore recruitment, reducing local benefits. There is currently limited information on the number and type of jobs RE will create, and whether these will be located in regions currently relying on coal-based employment. The Clean Energy Council commissioned the Institute for Sustainable Futures, University of Technology Sydney, to undertake the first large-scale survey of employment in renewable energy in Australia. The objectives of the project were to:

- Estimate total renewable energy jobs from 2020 – 2035;
- Profile the renewable energy workforce by occupation and location;
- Support workforce planning through employment projections and information on recruitment issues and skill shortages;
- Assist transition planning for regional areas by comparing the volume and location of RE and coal mining and generation jobs.

Why measure renewable jobs?

Gross employment by year until 2035 for three electricity scenarios
Detailed occupational breakdowns for wind, solar, hydro, and batteries
Employment projections by technology, broken down into project phase
Detailed occupational projections by technology
Skill shortages and recruitment difficulties
The study used an employment factor (EF) method (full-time equivalent jobs/megawatt). The five key steps were:

- **Detailed industry surveys** to derive EFs for wind, solar, batteries, and hydro.
- **Calculate EFs** from survey data.
- **Collate scenarios for renewable energy capacities**, based on the Australian Energy Market Operator 2020 Integrated System Plan and Whole of System Plan for Western Australia.
- **Calculate employment projections** for each technology and region based on the capacity projections and the employment factors using an excel model.
- **Calculate the occupational composition** using survey data and the gross job numbers from projections and identify skill shortages from the surveys.

**Infographic**

Figure 2: Nearly two thirds of renewable electricity jobs in Australia could be created in regional areas.

*Source: Institute for Sustainable Futures, 2020*

**Key findings**

- In the AEMO growth scenarios, RE jobs peak around 45,000, with an average of 34,000 jobs to 2035. Boom-bust trajectories are common.
- RE currently creates more jobs than domestic coal power and is expected to reach numbers comparable to all coal employment, including coal mining for export.
- RE creates jobs across diverse occupations, led by trades, technicians or laborers. Around 20% of RE workers are electricians or electrical trade assistants.
- RE skill shortages are significant. Major recruitment difficulties included electrical and grid engineers, construction managers, and electricians.

**Conclusion**

- Renewable energy (RE) will be a major source of jobs in the next decade.
- Job growth is strongest in rooftop solar and wind.
- Most jobs are currently in construction, but over time the proportion of on-going operations and maintenance jobs increases, to more than 50% by 2035.
- RE can contribute to alternative employment as the transition out of coal accelerates - but this should be an element of comprehensive industry diversification efforts in affected regions.
- There are significant opportunities to improve employment outcomes through better coordination and investment, in particular training for key occupations.

**References**

Australian Energy Market Operator (AEMO), 2020. 2020 Integrated System Plan (ISP) for the National Electricity Market


**Boundaries and names shown on this map do not imply any endorsement or acceptance by IRENA.**
One of the world’s most economically and industrially advanced nations, Japan, faces future challenges because of its ageing population, shrinking workforce and shrinking space for innovation, diminishing energy security threatened by natural disasters as well geopolitical shocks. Japan is also the world’s fifth largest CO₂ emitter from fuel combustion, exacerbating air pollution and causing adverse health impacts.

To address many of these concerns, Japan unveiled “Japan’s Green Growth Strategy Through Achieving Carbon Neutrality in 2050,” in December 2020. The strategy goes beyond energy planning and encompasses wider industrial and technological strategies, aiming to bring numerous structural shifts in the economy. The GHG emission reduction ambition for 2030 has been further strengthened in 2021.

Understanding the implications of such a strategy is the first step towards informed policy making, not only in terms of achieving economic growth but also environmental sustainability, resource efficiency, and social equity. The International Renewable Energy Agency (IRENA) is supporting a series of studies on socioeconomic implications on the national economy and support countries in a holistic approach to policy design to maximise the benefits. The countries and regions analysed are Indonesia, ASEAN, Egypt, South Africa. The method is applicable to most IRENA member states.

The socioeconomic analysis assesses the impacts of two roadmaps: The Transforming Energy Scenario (TES) and Planned Energy Scenario (PES). The roadmaps are developed by IRENA’s REMap model that explores renewable energy potential using a bottom-up methodology. It is carried out in close collaboration with country experts. For Japan, TES shows new ambition and PES outlines previous less ambitious plans. The technology pathways and investment needs are key outputs of the model.

The socio-economic analysis of TES and PES scenarios is carried out with a macro-econometric model (E3ME model) that links the energy system and world’s economies within a single and consistent quantitative framework. It analyses the impact of the energy transition on variables such as GDP, employment and welfare to inform energy system planning, economic policy making, and other measures undertaken to ensure a just and inclusive energy transition at the global, regional and national level.

![Welfare gains](source: IRENA, 2021)
A set of structural and just transition policies are required to manage potential shifts in the economy introduced by the energy transition. Japan’s unique demographic challenge can be addressed by integrating labor market interventions with energy transition policies. Current concerns, such as higher R&D funds dedicated to conventional technologies, difficulty in accessing grid or market data also would require energy sector-specific as well as cross-sectoral policy solutions.

Green sectors lower environmental pressures and create better and healthier living conditions. The energy transition is vital to meet climate goals as well as to reduce the potential impacts of pollution and natural disaster shocks.
IRENA monitors jobs from renewable energy since 2013. The series started out with a stand-alone report establishing the relevant definitions and concepts, such as direct jobs, indirect jobs, induced jobs, short term and long-term employment, and examining policy implications. The subsequent annual reports expanded on scope, country coverage, level of detail, and also began to examine the quality of jobs and just transition aspects. Gender aspects were increasingly included, drawing from IRENA’s work on gender in the RE industry and in selected technology fields.

The current report covers solar PV, liquid biofuels, wind, and hydropower in-depth. Less information is available for other technologies such as solid biomass and biogas, solar heating and cooling, concentrated solar power (CSP), geothermal energy and ground-based heat pumps, waste-to-energy, and ocean or wave energy. The report also offers observations on off-grid and mini-grid developments, and peeks at other energy transition technologies (battery storage and green hydrogen). One strength of the series is its flexibility, while maintaining the annually updated core information.

The series is based on a hybrid methodology. A thorough desk search and literature review, as well as data provided by IRENA’s member state focal points provide the bottom-up base. To fill gaps, and take the analysis one step further, an employment factor analysis is added. Employment factors from the literature are combined with IRENA’s statistics on renewable energy installation, both new and existing capacities. Regional adjustments with regards to labor productivity, own database assessments on trade and local manufacturing round off the picture.

The final assessment combines results and insights from all of IRENA’s works: survey-based work on gender and literature-based assessment of employment along the value chain, which are found in the Leveraging Local Capacity series and own calculations.

With 4 million workers, the solar PV industry has a third of the total renewable energy workforce. Sales of off-grid solar equipment suffered due to COVID-19. Biofuels jobs worldwide fell slightly to 2.4 million, due to COVID-19-driven reductions in demand, lower prices for conventional transport fuels, and some adverse policy changes. Wind power supports 1.25 million jobs. The offshore wind segment is gaining prominence, as multiple countries build or expand their domestic industrial base.

The integration of local content and local employment, in particular in wind energy, remains a challenge and requires further efforts on contracting arrangements, technical development and cooperation, and local capacity development. Decent jobs (good wages, safe workplaces, and rights at work) are a must for a just transition. Outcomes depend on enforcing internationally recognised labour standards, national legislation, and collective bargaining arrangements in individual industries.

Women account for one third of the global renewables workforce, but their participation varies widely among countries and industries. The pandemic has had a mostly negative impact on gender equity. Along with gender equity, providing adequate opportunities for youth and inclusion of minorities and marginalised groups are key for ensuring a diverse workforce that reflects the mix of people in society at large.

The energy transition cannot be successful without a skilled, workforce which enables local deployment and operation of renewables. The report gives an outlook on policies needed to skill, re-skill and train.

A set of structural and just transition policies are required to manage potential shifts in the economy introduced by the energy transition. IRENA addresses the respective holistic framework in many publications.
With electricity consumption doubling in the past twelve years and projections of a continuing growth, Turkey will probably see the fastest medium- to long-term growth in energy demand among International Energy Agency (IEA) member countries.

Turkey’s geography and climatic conditions are particularly advantageous for renewable energy generation, thus giving positive preconditions to cover this surplus by renewable energies such as solar, wind and geothermal. The current public policy framework in Turkey includes not only strategies to increase the share of renewable energy resources in the energy mix but also aims to develop a local manufacturing industry and to enable technology transfer.

This study examines the co-benefits to job development and future-required skills of increased deployment of renewable energy in Turkey. It also provides initial insights on the estimated occupations distribution, thus predicting the changes and employment opportunities available to Turkey in its solar and wind sectors.

Figure: A more ambitious deployment of renewable energies in the power sector in Turkey has the potential to add in the next ten years more than 75,700 full-time equivalent jobs related to solar PV and wind energy to the jobs projected to be created if current policies are followed.

Indicators assessed

- New full time equivalent (FTE) jobs between 2020 and 2028 in solar and wind power generation sector (high-, middle- and low-skilled)
- Added FTE jobs per sector and occupation type from 2020 to 2028 under alternative scenarios (high-, middle- and low-skilled)
Value chains for the solar and wind energy sectors in Turkey have been defined by using licence and pre-licence information from the Energy Market Regulatory Authority and a unique administrative micro dataset, Entrepreneur Information System (EIS).

Coefficients for the current ratio of employment per megawatt (MW) in the solar and wind sectors have been calculated.

Based on this, projections of employment increases and skills-requirements were estimated according to four scenarios for increased renewable energy (RE) capacity.

Jobs in the renewable power generation are concentrated in the electricity production and trade related sectors, while the bulk of job-creation in the wind and solar sectors lies within the middle-skilled labor group.

The highest increase of employment in the solar sector is for sales and services workers (21.1%), in the wind sector the highest increase is for plant operators and assemblers (18.4%).

For each job directly created among wind energy producers, 1.75 additional jobs are created indirectly in upstream segments of the value chain in the country.

With the decision to increase the solar energy capacity by 60% and more than double the wind power capacity, the Turkish government paved the way to create over 7,400 jobs along the solar and over 59,000 jobs along the wind value chain in the next ten years.

Turkey can significantly boost employment by increasing the share of renewables:
If a more ambitious transformation of the power sector is followed, up to 61,400 jobs in the solar and 147,700 jobs in the wind sector can be created in the country from 2018 to 2028.

The fossil-fuel sector has currently a trade deficit which will escalate, thus deteriorating employment and value creation, regardless a shift in power generation towards renewable energy sources.

Skills for the energy transition

References


For Argentina’s climate policies, the energy sector – including supply and demand sectors such as transport and buildings – is highly relevant, responsible for 53% of national emissions.

The Argentinian government developed an action plan for the energy sector, including mitigation measures that will be implemented along four axes: 1) energy efficiency, 2) renewable energy, 3) fuels, and 4) large scale generation. One of the main goals is an increased share of non-conventional renewable energy sources in the power sector, namely from 8% in 2018 to 20% by 2025 (unconditionally) and to 25% by 2030 (conditionally). This transition will come along with new investments and developments from which some societal groups gain more and others are potentially disadvantaged. An analysis of the likely magnitude and distribution of future impacts can help policy makers to prepare the skills and capacities required to support the transition, to ensure that those losing are appropriately compensated and to best facilitate a just transition that works for all.

NewClimate Institute assessed – among other aspects – the domestic employment opportunities resulting from electricity generation across all technologies to provide a comparative assessment of potential impacts under different future scenario pathways for the power sector development in Argentina.

Figure: Direct and total (direct, indirect and induced) employment impacts for different electricity supply scenarios developed by stakeholders to the Plataforma Escenarios Energéticos 2040, estimated using NewClimate’s EIM-ES
NewClimate used the EIM-ES tool to estimate employment impacts in the electricity supply sector and its associated value chains in Argentina until 2040. The calculation is based on ten scenarios developed by stakeholders from the Plataforma Escenarios Energéticos 2040, covering all major technologies.

In collaboration with the Plataforma, the EIM-ES tool was aligned to all relevant scenario information including both inputs and outputs of their scenario modelling in LEAP. The Plataforma stakeholders also provided critical input to inform estimates of the local content share of the range of component parts that make up each technology.

### Methodology

According to our analysis, employment impacts for fossil fuel-based generation, such as natural gas-fired power plants, are relatively similar to employment impacts for renewable options, such as wind and solar PV, when compared per unit of investment or unit of electricity generation.

Critically, however, as a signatory to the Paris Agreement, Argentina – like all other countries – will need to fully decarbonise the electricity supply sector in the medium term. Creating new jobs today in natural gas-based electricity generation means that at some point these workers will need to re-train and possibly relocate. Supporting re-training and relocation of the labour force can be extremely costly for the government both in terms of offering support to workers and, in some cases, welfare payments, as well as in terms of reduced tax revenues.

In contrast, creating new jobs today in RE generation technologies presents much less of a risk because the skills and experience of these workers are needed in increasing abundance over the coming decades.

### Indicators assessed

- Direct employment impacts expressed as full time jobs lasting one year in duration (job years), for each year over the period 2017 to 2040
- Total employment including indirect and induced impacts expressed as full time jobs lasting one year in duration, or (job years), over the period 2017 to 2040
- Employment impacts broken down by year, economic sector and electricity supply technology

### Conclusions and recommendations

- Direct employment impacts expressed as full time jobs lasting one year in duration (job years), for each year over the period 2017 to 2040
- Total employment including indirect and induced impacts expressed as full time jobs lasting one year in duration, or (job years), over the period 2017 to 2040
- Employment impacts broken down by year, economic sector and electricity supply technology

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In contrast, creating new jobs today in RE generation technologies presents much less of a risk because the skills and experience of these workers are needed in increasing abundance over the coming decades.

### References


Climate Action Tracker. Scaling Up Climate Action Series. Accessible online: https://climateactiontracker.org/publications/scalingup/


Written at the height of the COVID-19 induced economic slump, the report proposes a recovery program for Pennsylvania that can exert an effective counterforce against the state’s ongoing recession in the short run while also building a durable foundation for an economically viable and ecologically sustainable longer-term recovery. It shows that a robust climate stabilization project for Pennsylvania will also serve as a major engine of economic recovery and expanding opportunities throughout the state. The report develops a clean energy investment project through which Pennsylvania can achieve climate stabilization goals in alignment with those set out by the Intergovernmental Panel on Climate Change (IPCC) in 2018, that is, to reduce CO₂ emissions by 45 percent as of 2030 and to achieve net zero emissions by 2050. The goals can be accomplished in Pennsylvania through large-scale investments to dramatically raise energy efficiency standards in the state and to equally dramatically expand the supply of clean renewable energy supplies, primarily including solar, wind, low-emissions bioenergy, geothermal and small-scale hydro power. We also show how this climate stabilization program for Pennsylvania can serve as a major new engine of job creation and economic well-being throughout the state, both in the short- and longer run.

The report proceeds in four steps: first, the CO₂ emissions goals are translated into investment needs into clean energy technologies and contraction trajectories of fossil-fuel related industries. Second, these investments are translated into local direct, indirect and induced jobs in various clean energy industries, bearing in mind that part of the supply chain and activity will spill over into other states and countries. We also calculate jobs from investment programs into manufacturing, infrastructure, land restoration and agriculture. Third, these jobs are contrasted with the jobs lost in fossil-fuel related sectors and a just transition program for these workers and communities are discussed and costed. Lastly, we examine and propose ways to finance these investments in the Pennsylvania state context.

Indicators assessed:
- Investment needs for reducing Pennsylvania’s CO₂ emissions by 45% in 2030 and achieve net zero emissions by 2050
- Direct, indirect, induced jobs created from clean tech investments
- Fossil fuel jobs lost from phaseout
- Transition programs for financing of cost of investment and fossil fuel worker compensation

Methodology:

Contact:
Political Economy Research Institute (PERI), University of Massachusetts Amherst
Robert Pollin (pollin@econs.umass.edu), Kim Weinstein (kweinstein@peri.umass.edu)

Link:
As an average over 2021–2030, a clean energy investment program scaled at about $23 billion per year will generate about 162,000 jobs per year in Pennsylvania for a wide range of educational backgrounds (see infographic). An additional investment program over the same time into manufacturing, infrastructure, land restoration and agriculture at $8.2 billion per year or 1 percent of Pennsylvania’s 2019 GDP, would generate an additional roughly 81,000 jobs per year in the state. Meantime, about 1,800 workers per year will be displaced in fossil-fuel related industries between 2021 – 2030 while another roughly 1,000 will voluntarily retire each year. Pennsylvania can finance these investments with a combination of state-level borrowing and federal programs set up or proposed in the context of the covid-19 crisis and/or response to climate change.

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The combination of investments in clean energy, manufacturing/infrastructure, and land restoration/agriculture will create about 243,000 jobs in Pennsylvania — equal to roughly 4 percent of Pennsylvania’s current work-force — while providing the foundation for a long-term sustainable growth path for the state.

The loss in fossil-fuel related jobs, 1,800 a year, is far smaller and it is critical that all of these workers receive pension guarantees, health care coverage, re-employment guarantees, wage insurance, and retraining support, as needed, with additional support measures for especially hard-hit communities.

The financing calculations show that such a program is not only desirable but also feasible in Pennsylvania.
Puerto Rico is in a severe economic and social crisis with an overwhelming public debt. The prevailing approach to solving this problem is an austerity agenda. However, these austerity policies will exacerbate the crisis, as austerity will lead to the reduction of incomes, private spending, and to corporate divestment, as well as a shrinking tax base to service the debt.

The study proposes a "green growth" program for Puerto Rico as an alternative to austerity policies which is based on large-scale annual investments in energy efficiency and clean renewable energy. A co-benefit of these investments, in addition to climate policy goals, is the sustainable creation of new employment opportunities.

Key findings

- The green growth program enables the successive replacement of fossil fuel imports with low-cost, domestically produced clean energy. The objective is to complete substitution by 2050. This reduces dependence on fossil fuel imports while creating an important source of new jobs and opportunities for new business ventures, including small-scale community-owned and cooperative enterprises.

- A major source of job creation will be the investments themselves. The annual investments in clean energy will generate about 23,500 jobs within the existing production processes.

- The second major source of employment will be the substitution of energy imports, as the economy’s spending on energy imports steadily declines and these funds can be invested differently. Reducing energy imports to zero between 2020 and 2050 would result in a reduction of imports by $174 million per year.

Indicators assessed

- Job creation per $1 million investment in renewable energy and energy efficiency
- Job creation per $1 million of new spending in the aggregate economy
We used input-output tables for Puerto Rico to derive employment/output ratios for investments in clean renewable energy and energy efficiency.

For both the investments in renewable energies and energy efficiency, the numbers presented in the infographic are weighted averages of employment/output ratios for specific groups of activities in Puerto Rico's input/output tables.

Large-scale annual investments in energy efficiency and clean renewable energy are crucial elements of a green growth program for Puerto Rico.

Fossil fuels will be replaced through renewable energy sources reducing energy dependencies and aligning with climate policy objectives.

The study identifies two important sources of job creation: large-scale investments in clean energy and energy import substitution. Considering the total net job creation, we reach a number of about 50,000 jobs in 2035 and between about 60,000 and 80,000 jobs as of 2050.

Substantial debt relief will be necessary to advance the green growth program on a large scale.
The report presents estimates of the job creation that would result in selected U.S. states if the U.S. Congress passed an economic recovery legislation that implements a national THRIVE investment agenda, as described in a September 2020 Congressional resolution. The Congressional resolution’s commitment is to “Transform, Heal and Renew by Investing in a Vibrant Economy”—i.e. “THRIVE”—through investments to rebuild the U.S. economy. At the date of writing (March 2021), the THRIVE Agenda had been endorsed by more than 100 members of Congress and hundreds of major union, racial justice, and climate organizations. The aims of the THRIVE Agenda are similar to those proposed in the Build Back Better program advanced by President Biden during his 2020 presidential campaign.

The THRIVE Agenda consists of four major investment areas: clean renewable energy and energy efficiency; infrastructure; agriculture and land restoration; care economy, public health and the postal system. The THRIVE Agenda is designed as a 10-year investment national program, with an average annual budget of $954 billion, or about 4% of US GDP over 2021-2030.

**Methodology**

The state level job creation estimates result from the state receiving its share of the overall THRIVE budget based on its share of the U.S. population. After defining 36 activities that fall under each of the four investment areas, e.g. building retrofits, dam repairs or farmland restoration, we calculate direct, indirect and induced jobs per million dollar invested for each activity. Indirect jobs are created in the supply chain, and induced effects from spending by the new employees on local purchases. These results are then **scaled by the state and activity specific budgets** to calculate the total employment effects. The calculations utilize the set of input-output tables compiled for all US states by IMPLAN.

**Indicators assessed**

- 36 industries in four low-carbon transition relevant sectors
- Direct, indirect and induced job creation for each industry per million $ investment
- Job creation scaled by industry-level budgets at state-level informed by US THRIVE agenda
Results vary with the state investigated. We illustrate state-level findings with the example of Arizona. Its annual budget allocations between 2021 – 2030 amount to: $8.1 billion for clean renewable energy and energy efficiency; $7.4 billion for infrastructure; $4.2 billion for agriculture and land restoration; and $1.9 billion for the care economy, public health and postal service. This level of investment spending in Arizona will generate an average of about **205,000 jobs a year within the state**. This is equal to 5.6 percent of Arizona’s labor force as of February 2020. The infographic shows how these aggregate job figures break down for the case of clean tech investments.

### Infographic

<table>
<thead>
<tr>
<th>Energy efficiency</th>
<th>Job Creation</th>
<th>Total</th>
<th>Total</th>
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<td>Building retrofits</td>
<td>11,800</td>
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<tr>
<td>Industrial efficiency</td>
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<td>High-efficiency autos</td>
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<tr>
<td>Renewable energy</td>
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<tr>
<td>Wind energy</td>
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<td>Solar energy</td>
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<td>Total</td>
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</table>

Staying with the example of Arizona, this level of job creation would have a major impact on Arizona’s economy. All else equal, the new jobs created would result in the state’s unemployment rate falling to **2.3 percent** from its average level of 7.8 percent between July – December 2020. Such a reduction in the unemployment rate would represent a major expansion in job opportunities. Indeed, implementing the THRIVE Agenda in Arizona would likely encourage a large number of people to enter Arizona’s labor force, or to reenter after having dropped out previously. Overall, **the rise in the state’s employment opportunities will provide a foundation for a broader improvement in living conditions** for the people of Arizona, all in addition to the benefits through implementing the THRIVE investment program.

### References


In Mexico, electricity and heat generation is the second largest source of greenhouse gas emissions after the transport sector and constitutes 18.3% of the country’s total carbon dioxide equivalent (CO₂-e) emissions (SEMARNAT & INECC, 2018). This makes it a key area for action in the NDCs. Besides climate change mitigation, accomplishment of Mexico’s actions to reduce GHG emissions can materialise multiple co-benefits, which underline a resilient low-carbon future, while also accelerating development.

In 2018, the Mexican Government, together with the Office of the Presidency, SEMARNAT, INECC and GIZ Mexico, commissioned a study on the co-benefits of implementation of Mexico’s Nationally Determined Contributions (NDCs) for the achievement of the SDGs. Power generation has been identified as one climate action whose co-co-benefits shall be assessed.

To calculate co-benefits of different clean electricity targets, four scenarios have been considered: A business-as-usual scenario based on Mexican BAU projections for the NDC from 2015, a PRODESEN scenario from the Ministry of Energy, a scenario oriented on Mexico’s current NDCs and an ambitious SD+ (REP 100) scenario.

From the three types of co-benefits of clean power generation calculated in the Crunching numbers-study, outcomes regarding job creation are shown at this page.
Calculating employment benefits

The calculation of the job creation potential of increased deployment of clean energy sources in Mexico is based on the employment factor approach (EFA). Employment factors are technology-specific factors to estimate job impacts if multiplied with the respective installed capacity.

In the quantification, only direct employment (manufacturing, installation, operation and maintenance) associated with electricity generation is considered. The potential jobs are related to the plant lifetime for comparability within the value chain. They are then accounted with the capacity factor to make them comparable between the different technologies.

Key findings

- Under all explored scenarios, the number of jobs compared to the BAU scenario increase; with a gain of 16% in the PRODESEN scenario, 38% in the NDC scenario and 129% in the SD+ (REP 100) scenario.
- The biggest share of new employment in Mexico is expected to be in operation and maintenance. The methodology employed for this calculation asserts that the jobs created in operation, maintenance and construction of power plants will be filled by local workforce. There is, however, the possibility that international companies employ foreign staff for parts of their projects, particularly in manufacturing of the generation technologies.

Conclusion

- Electricity generation from clean sources can contribute to the achievement of SDG 8 Decent Work and Economic Growth
- Effective government programs and initiatives promoting innovation and growth in the clean energy sector can directly support the SDG 8 target 8.3, promoting “development oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises...”

References

This joint factsheet edition by the IRENA Sustainable Energy Jobs Working Group and COBENEFITS connects policymakers in local and national government agencies with expert organisations and contact persons to quantify employment co-benefits, assess policy options and unlock potentials for people and communities.

COBENEFITS works with national authorities and expert organisations in countries across the globe to quantify and unlock the social and economic co-benefits of early climate action with renewable energy. The project facilitates capacity building and cross-country learning among policymakers, expert organisations, CSOs and the private sector.

The IRENA Sustainable Energy Jobs Working Group addresses knowledge gaps in sustainable energy jobs and provides analysis showcasing the energy transition’s ability to increase overall employment and benefit local economies.

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Contact

COBENEFITS project director
Sebastian Helgenberger, Institute for Advanced Sustainability Studies (IASS)
Sebastian.helgenberger@iass-potsdam.de

IRENA Coalition for Action
coalition@irena.org

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www.cobenefits.info

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