



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

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

Amalia Palma and Claudia Robles

Economic Commission for Latin America and the Caribbean

Monday 10 October 2011

United Nations Research Institute for Social Development
Palais des Nations Geneva 10 Switzerland

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

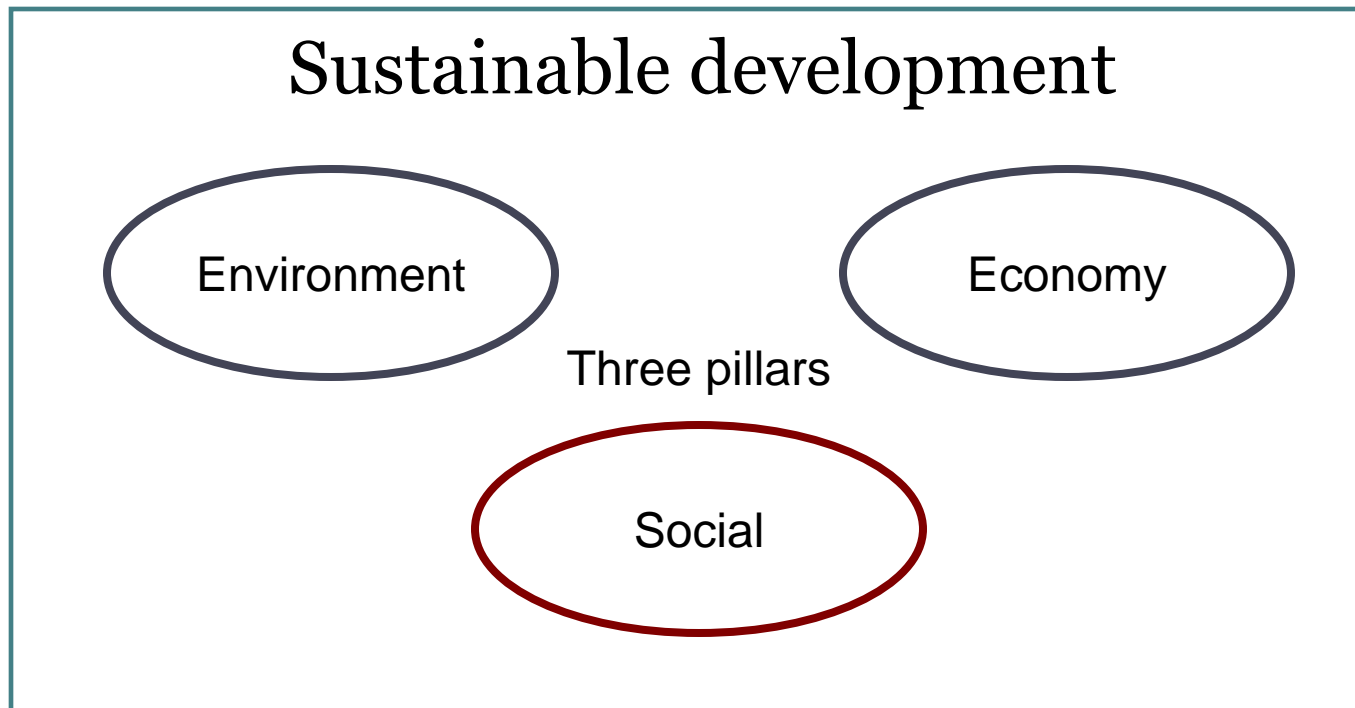
Fuel

Food

Financial

- 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

Environment

High rate of growth
70% employment on low productivity sector
Mining and energy, highly productive in the region, with low presence in total employment

Economy

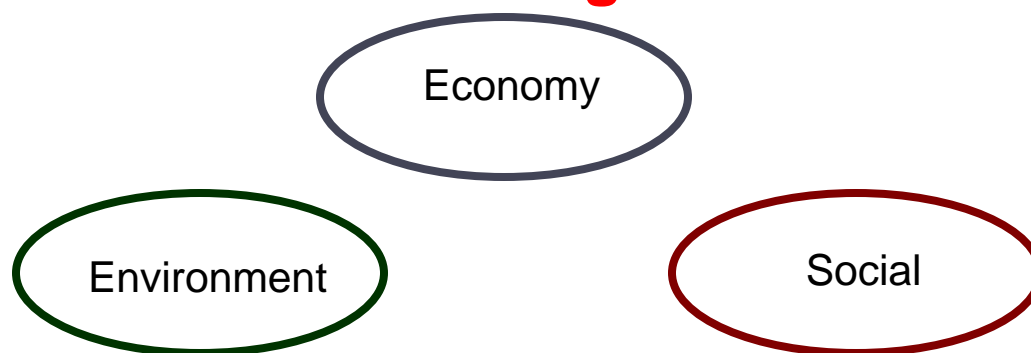
Three pillars

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...

Economic growth



<i>Productivity</i>	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

Green economy

Key sectors

Agriculture

Fishery

Forestry

Water

energy

Buildings

Transport

Waste

Manufacturing

Tourism

Cities

Economic growth

Economy

Environment

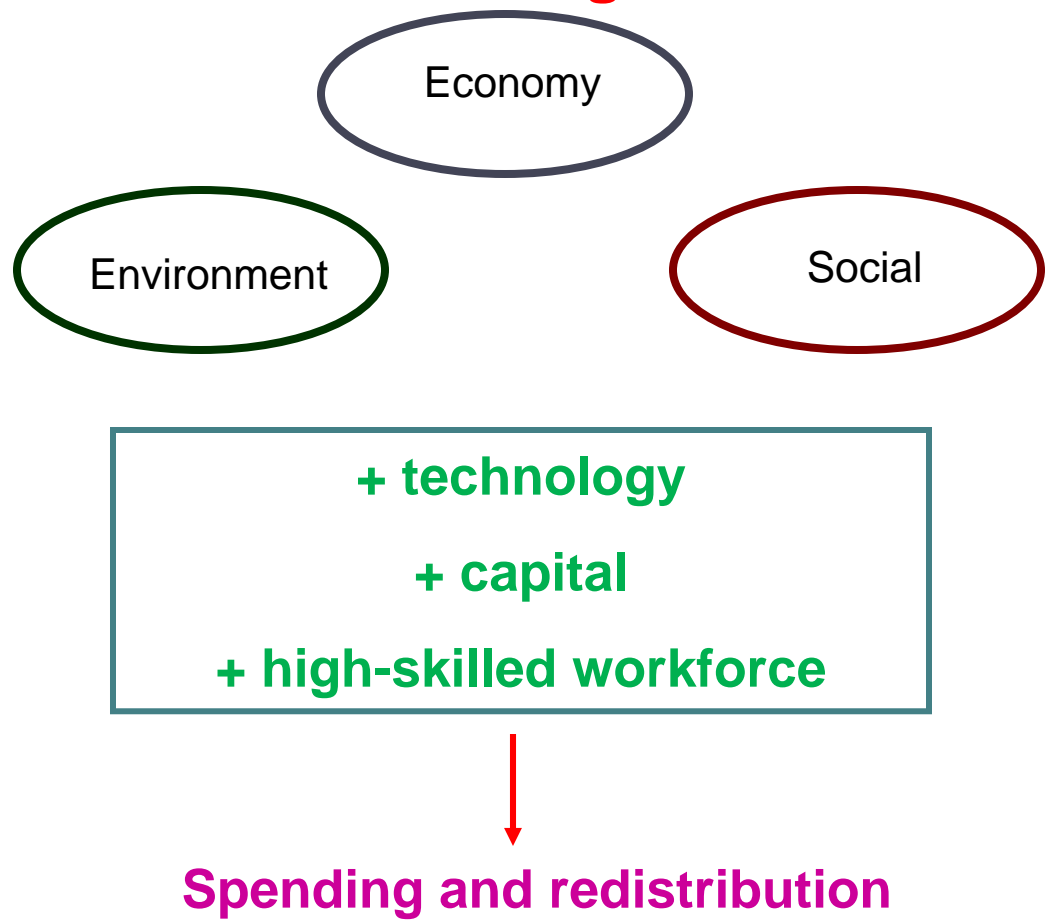
Social

+ technology

+ capital

+ high-skilled workforce

Spending and redistribution



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.

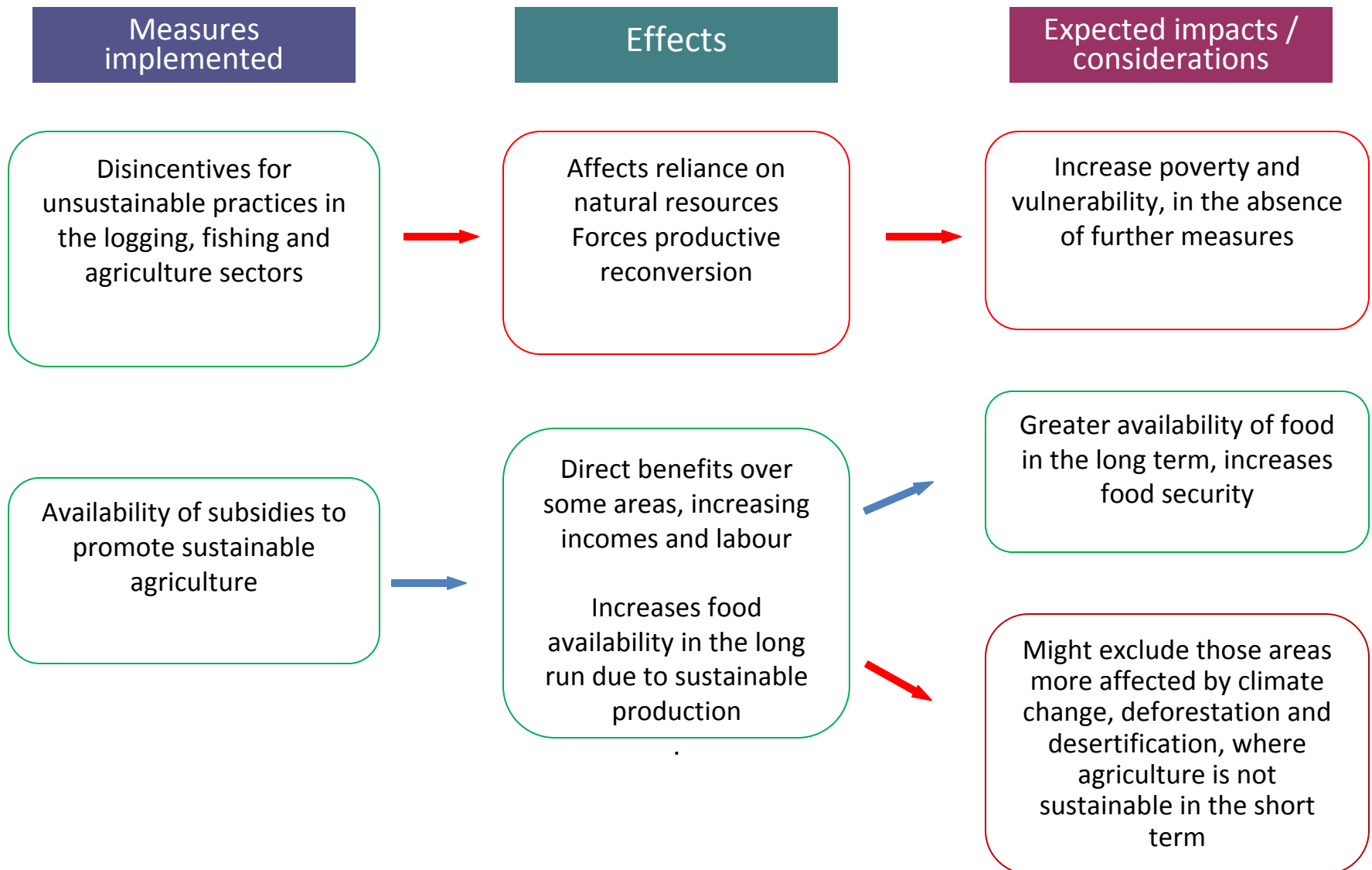
Risks of generating new exclusion poles between regions richer in assets (access to technology, high skilled workers, etc.).

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

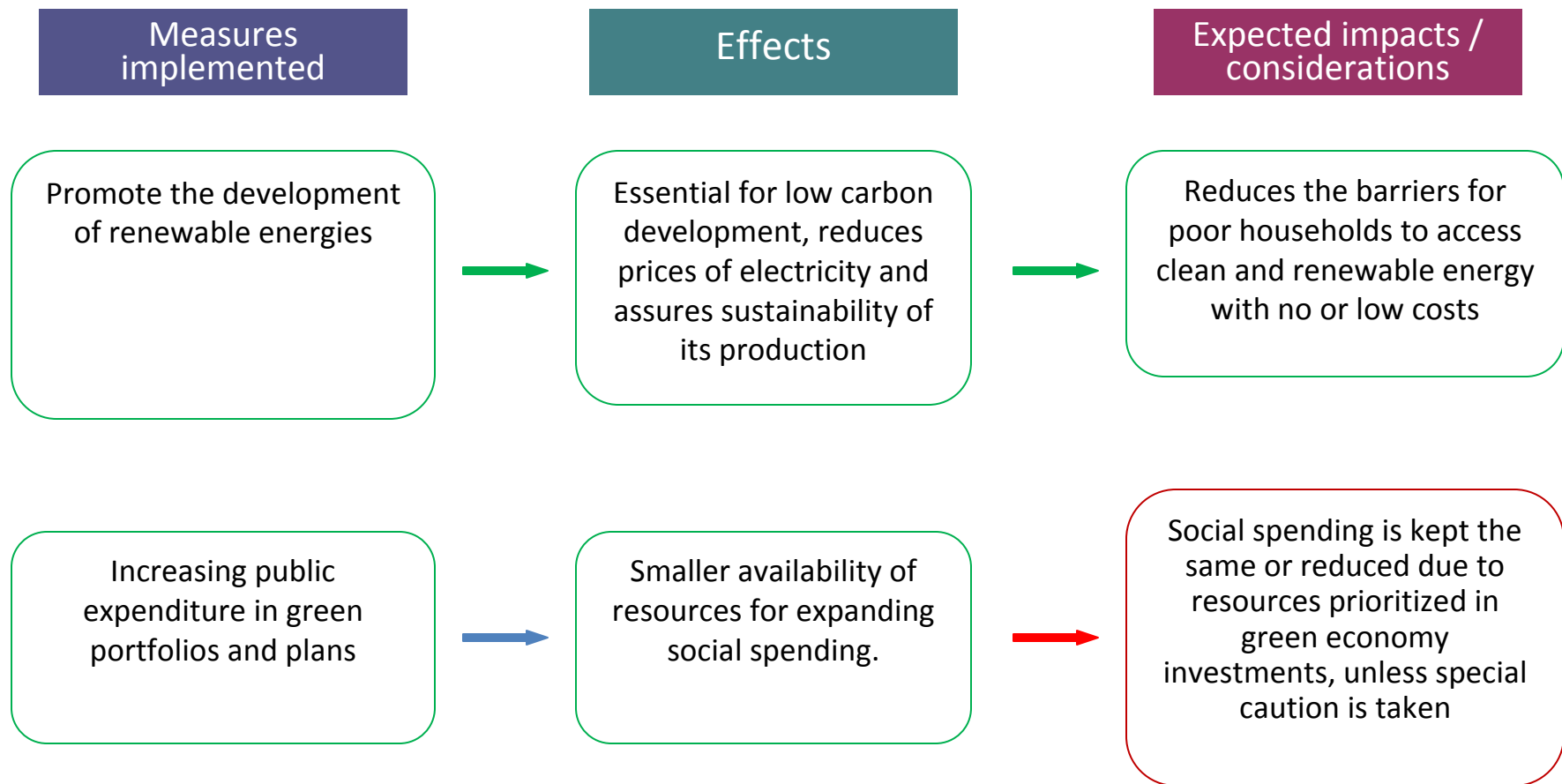
Adopting new less-polluting technologies increases the costs of production. Incentives to produce less and some sectors may see their profits fall.

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)

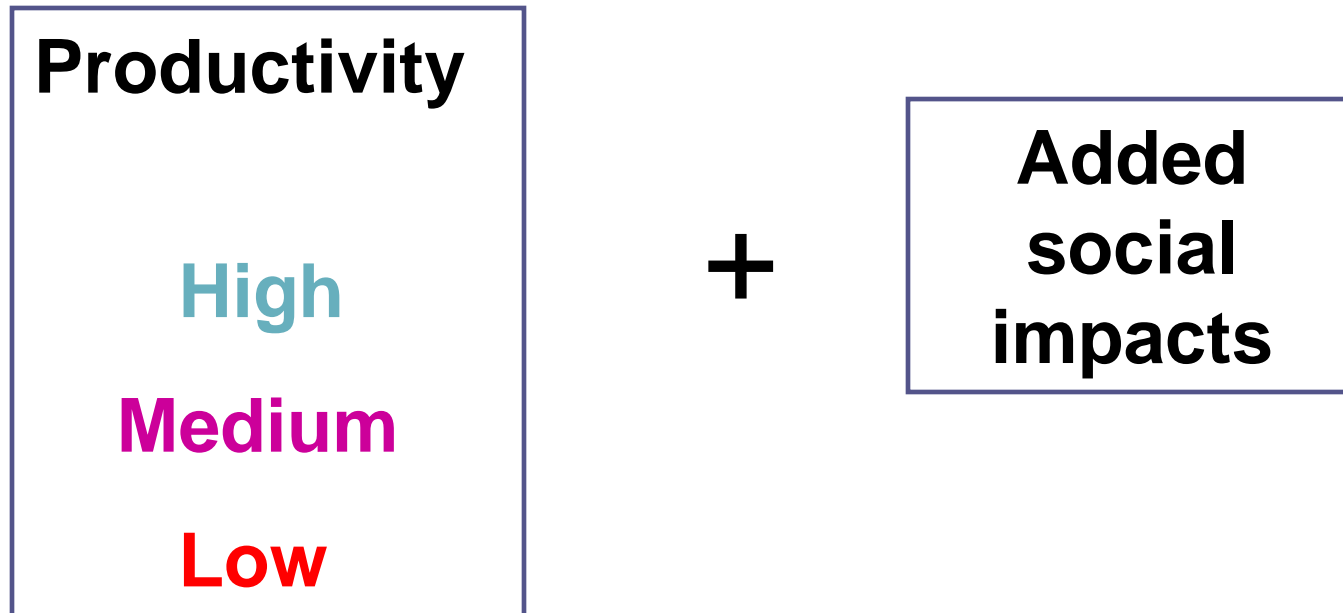
Rural Livelihoods



Opportunities and risks



Green economy in LA...



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