Renewable energy is one of the fastest-growing economic sectors and provides an estimated 11 million jobs worldwide. The number of jobs in renewables could reach 44 million by 2050, according to modelling work from the International Renewable Energy Agency. Renewable energy development can provide employment opportunities ranging from high-technology research and development and complex engineering to jobs in rural communities that power productive uses, which is essential for improving livelihoods.

As the energy transition unfolds, the socio-economic benefits of renewable energy development are increasingly relevant for countries exploring ways to stimulate economic growth and industrial activity. However, this is occurring at a time when the global economy is challenged with low/stagnating demand, stalled globalisation, increasing inequality and growing concerns about employment and stability. In addition, the energy transition will bring about a profound change in the labour market structure, with significant potential misalignments – temporal, spatial, educational and sectoral – for all regions.

To mitigate some of these existing and future concerns, and to enable a just transition, the question of employment has to be well-integrated into a wider context of macroeconomic stability, trade, industrialisation and social cohesion. This requires co-ordination among four crucial policy pillars: industrial policy, labour market and social protection policy, education and skills policy, and financial policy.

Within these broader themes, specific measures are available to encourage the development of renewables and to maximise the associated socio-economic benefits. Among them, diversification and localisation of supply chains are crucial measures to broaden the geographic footprint of the renewable energy sector and to add to job creation. Many countries, for example, have introduced local content requirements as a precondition for the right to participate in projects supported through national support schemes.

Strategic collaboration and co-ordination among governments, the private sector and other domestic stakeholders can mobilise needed investment and promote economy-wide spillovers to build viable domestic supply chains. For countries with weak domestic supply chains, measures are needed to augment industrial capabilities within and beyond the energy sector, to incubate and develop supplier firms, and to step up education and training efforts, among others.

An initial step is to understand the material and human resource requirements of renewable energy technologies, to assess them in the context of existing domestic resources and capabilities, and to identify ways to maximise domestic value creation by leveraging and enhancing local industries. Understanding these needs and misalignments will increase awareness of potential barriers, help
formulate necessary adjustments along the way and maximise the benefits in an approach that leaves no one behind.

This session will discuss the following questions:

1. What are the key enabling factors that create employment associated with renewable energy system deployment?

2. What concrete steps can national and regional governments take to position themselves to attract inward investment in renewables and stimulate job creation?

3. What are the profound structural changes and related enabling policies required to benefit from the energy transition in terms of economic development and job creation?