

Economic Inclusion Primer

Why Economic Inclusion in Climate Action

- All climate policies and actions have economic impacts that result in increased supply or demand for certain types of goods and services. The details of a climate policy determine whether economic outcomes are equitable or if they maintain the status quo. Without intentionally working to correct for inequities, climate policies will inadvertently perpetuate further inequities by reinforcing exclusionary practices, low-road jobs, and wealth disparities. Nonetheless, the opportunities to support equitable economic outcomes through climate policies are enormous.

What is Economic Inclusion & High Road?

- Economic Inclusion includes high-road employment and contracting opportunities and improved access to those opportunities for historically marginalized people and communities, i.e. BIPOC, women, at-risk youth, etc
- High-road refers to social and environmental responsibility. Policies that support the high-road encourage competition based on quality rather than cost, and favor firms that internalize the true costs of business by providing good wages, benefits, growth opportunities, and working conditions, adhering to laws and regulations, and pursuing best practices with respect to community engagement and environment.

The Climate Jobs Imperative

- Policies and investments to address climate change will create millions of jobs.
- Climate actions will also cause some jobs loss in some sectors, e.g. fossil fuels.
- Climate actions can be designed to maximize the benefits of job creation while minimizing the harm of job loss.
- Designing climate actions to create good jobs for people who need them can help garner broader political support for climate policies from key constituencies and from the public at large.
- A focus on climate and jobs can help us reduce emissions faster and more durably than a focus on climate alone.

What is Your Role as Local Government Staff?

- As Local Government Staff, you have enormous influence
- Ask good questions
- Familiarize yourself with these concepts
- Connect to other departments and individuals that do this work
- Ask for help
- Remember that values and relationships > tactics and tools

Terms/Definitions

- **Labor Markets:** The space where people offer their skills to employers in exchange for compensation
- **Labor Supply:** Available workers.
 - refers to the policies and investment that help ensure a pool of qualified workers are ready to meet the employment demands that climate policies stimulate.
 - Labor supply is achieved through workforce development, training programs,, pre-apprenticeship programs, job readiness and wrap-around support services for workers with barriers to employment.
- **Labor Demand:** Available jobs.
 - refers to the policies and investment that not only generate market demand for workers but also generate market demand for quality jobs and jobs that are accessible to a diverse cross section of the populations, including people of color and other disadvantaged groups.
 - Labor demand for quality jobs and diverse access is achieved through labor standards, procurement practices, and decisions about technology, services, and supply chains.
- **Local Procurement and Supplier Diversity:** Government or institutional commitment to leverage its investments and buying power to close economic disparities and wealth gap by purchasing goods and services - banking, insurance, energy, professional service, vehicles, etc from local, small, minority, women-owned businesses
- **Workforce Development:** The coordination of public and private-sector policies and programs that provides individuals with the opportunity for a sustainable livelihood and helps organizations achieve exemplary goals, consistent with the societal context
- **“Just Transition”** is a principle, a process, and a practice.
 - The principle: a healthy economy and a clean environment can and should co-exist.
 - The process: should be a fair one that should not cost workers or community residents their health, environment, jobs, or economic assets. Any losses should be fairly compensated.
 - The practice: the people who are most affected by pollution should be in the leadership of crafting policy solutions.

DEMAND SIDE



SUPPLY SIDE



5 Major Steps to Economic Inclusion

1. Labor Demand Analyses of Policies
 - a. What are the potential economic opportunities generated by your climate policy?
2. Economic Inclusion Landscape Assessment
 - a. What is your legal authority and what is your local government currently doing in DEI?
 - b. What are your local government's current economic inclusion programs/implementation tools?
 - c. What are the existing resources in the community? Who is doing what, well? What can we build upon?
3. Economic Policy Development
 - a. Where are the opportunities to best influence Economic Inclusion? How?
4. Program Development
 - a. What should we do? Who do we need?
5. Implementation
 - a. How to differentiate public vs private sector projects?

Invest in Partnerships & Technical Assistance

- Robust collaboration with labor, community, workforce development, and business is essential to integrating economic inclusion in climate action. This collaboration must be resourced and factored into policy development timelines.
- Local governments need technical assistance from entities with experience advancing job quality and job access through climate investments. It is a complicated science and there are many pitfalls in both policy substance and stakeholder relationships.

Resources

- [Inclusive Economics](#)
- [Emerald Cities Collaborative](#)
- [High-Road Workforce Guide for City Climate Action](#)
- [Pathways from a Low-Road, Extractive Economy to a High-Road – Sustainable and Just – Economy](#) (an ECC infographic)
- [Climate Justice Alliance: Just Transition Principles](#)
- [Inclusive Procurement & Contracting: Building a Field of Policy and Practice](#)
- [California Building Decarbonization Workforce Needs and Recommendations](#)