

# GREEN JOBS IN THE COMMUNITY OF MADRID: FUTURE POTENTIAL

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## EXECUTIVE SUMMARY



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## Executive Summary

- Green jobs represent an opportunity for the future, as internationally acknowledged both in the economic policy of the European Commission and on a statistical basis (Eurostat, OECD): they involve specific economic activities and real, measurable jobs.
- However, **the right wing in Spain does not believe in green jobs.** Indeed, Mariano Rajoy describes them as a “myth”, believing that all economic activity connected with the environment involves subsidised employment offering little to society while soaking up government funds.
- A comparison between the regional Autonomous Communities of Spain run by the socialist PSOE and the conservative PP reveals one clear difference: whereas in the former there are close on twelve green jobs per thousand inhabitants, in the latter there are just nine. **This translates into giving up the creation of some 55,000 jobs.**
- The socialist regions are also making progressive steps forward, with a rise from 80,000 jobs in 2003 to nearly 110,000 by 2008, whereas those governed by the PP registered a marked downturn between 2004 and 2006, because of the lack of a firm commitment to such employment. The miserly rates of growth seen in PP regions gave an overall increase of 22%, eight percentage points lower than that recorded in the PSOE-run Autonomous Communities (30%).
- Green jobs are one of the main niches for job creation in the short and long terms in Spain, and in particular in the Community of Madrid, which lags substantially behind other regions in terms of environmental protection.
- The Community of Madrid (CAM) currently has some 62,000 green jobs. This apparently places the CAM third in the regional rankings, behind Catalonia and Andalusia.
- However, when one analyses the detail of the activities involved, it turns out that **almost one third are not genuinely green jobs improving Madrid’s environment.**

For example, the CAM has 20,000 people working in the renewable energies sector, although an analysis of the installed power capacity generated by such energy sources within the region reveals the figure to be just 114 MW, placing **Madrid next to last in the regional renewable energy league table.**

- Many of these 20,000 “theoretically” green jobs in Madrid are in truth explained by the fact that the region is home to the corporate headquarters of numerous companies which register their jobs in the CAM region. A comparative estimate including the other autonomous communities indicates that **renewable energy only accounts for some 950 direct jobs in Madrid.**
- A similar effect is found in green jobs associated with R&D+i initiatives: Madrid has 5,440 green jobs of this type, but many of them would not exist if the head offices of a number of major companies were not located in the region.
- Once corrections have been applied in order to eliminate this “HQ effect”, it is estimated that **Madrid in truth only has some 34,300 green jobs.** This gives the CAM a place in the regional rankings in terms of absolute levels of direct environmental employment well below the position which it should hold given the size of its population and economy.
- In relative terms, though, the corrected data are even more striking: **Madrid has only 5.4 green jobs per thousand inhabitants, whereas the national average is 11.4.** (Even without adjusting for the HQ effect the CAM lies below the average, with 9.8 jobs).
- These figures highlight the fact that the **Community of Madrid is not making a genuine effort to promote the creation of green jobs**, in fields which are essential in caring for and protecting the regional landscape and the health of Madrid’s population.
- For example, Madrid has only 389 workers administering its protected natural spaces. Catalonia, which has approximately twice as much land under protection, has almost three times the workforce. This illustrates the low level of interest to be found in the CAM’s government in achieving effective administration of the natural environment.
- Other activities where Madrid lags way behind other autonomous communities in relative terms, and which represent very important niches for the creation of new green jobs, are water treatment and purification and waste management.
- If the CAM achieved the same level as Catalonia in terms of employment in water treatment and purification operations, the total number of jobs in the sector could be 65% higher than it is at present, generating some 5,000 new positions.

Likewise, if levels in waste management similar to Catalonia were to be achieved, almost 8,000 new green jobs could be created.

### Overall green job creation potential in the CAM

- If Madrid were to match the leading five autonomous communities with regard to green employment (Aragon, Catalonia, Castile-Leon, Navarre and La Rioja), the CAM would currently have 92,000 green jobs. This figure would be almost three times the true number which we have estimated for Madrid, having eliminated the HQ effect and taking into consideration only those jobs with a direct impact on the environment.
- If we compare this figure with current data on environmental employment, it would be fair to say that **the potential for the creation of direct green employment in Madrid over the next five years would stand at between 10,000 and 15,000 jobs.**
- In the longer term, over a **fifteen-year timeframe** and assuming that the structural reforms brought in by Central Government will serve to bring about a change in production model, the total volume of green jobs in the Community of Madrid, including the HQ effect, could amount to as many as **170,500 by 2025, in other words almost three times the current level.**

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