

## Green Energy and the Labor Market

After the German government coalition announced its nuclear energy phase-out this spring, green technology has been hailed as the future job engine. According to many pundits, environmental protection could soon become Germany's leading industry – employing more people than automobile and machinery manufacturing combined.

But will the new energy policy really have such a huge impact on the labor market? So far this is wishful thinking based on largely unfounded assumptions. There has been hardly any thorough scientific assessment, much less an employment policy to support these ambitious goals. The federal government has now decided to accompany the redesign of its energy and environmental policies with a scientific evaluation process. This was the right thing to do because rigorous evaluation is the only way to reveal economic and social adjustment problems early enough.

Particularly with regard to the labor market, the optimistic expectations can only be realized if the energy policy goals are aligned with employment policy. In this context, four key questions must be answered: What conditions must be met for the new energy policy to become a job engine? How will employment change – not only in quantitative but also in qualitative terms? What is the scope of skilled labor shortages in these relatively new occupations? How does education and training need to reflect the changing qualification requirements?

A sound assessment of the employment situation should also account for the often-voiced concerns

that giving up nuclear energy might threaten the competitiveness of German industry – especially in energy-intensive sectors – with dramatic consequences for the labor market.

For the “energy turnaround” to become a success story with green jobs booming, German firms need high-skilled specialists – and they need them fast. This is one of the reasons why the official target to increase the share of renewable energies to 35 percent of by 2020 is very ambitious. A shortage of specialists in the solar and wind energy sectors is already apparent today. The same is true for electrical engineering. New technologies also require trained craftsmen who run and maintain them.

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This poses a great challenge to university education and vocational training. The green markets can only flourish with an abundance of qualified and certified personnel. But even if universities were to establish new specialized fields

of study, it would take years for the first graduates to enter the labor market.

At this point, the labor market is clearly ill-prepared for the new opportunities ahead. If this does not change quickly, the heralded “job miracle” might well turn into a “job disaster”.




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