

Twenty-sixth meeting of the Council  
Abu Dhabi, 19-20 October 2023

## **Background Note**

### **Socio-economics of the energy transition: The road ahead**

#### **Background**

The global energy landscape is undergoing a profound transformation, driven by the urgent need to address the climate change emergency and reduce our dependence on fossil fuels. This transition towards clean and renewable energy sources holds immense promise for mitigating the environmental impacts of energy production. However, it also carries significant socio-economic implications that demand our attention. Understanding these socio-economic impacts is essential for effective policy formulation and implementation, and ultimately for gaining public acceptance of the energy transition.

The acceleration of renewable energy deployment and the overall pace of the energy transition are not solely reliant on technological innovation. Ensuring that individuals and communities experience tangible and positive outcomes from this shift is in fact, more vital. Concurrently, we must address potential negative impacts, such as job displacement in fossil fuel-dependent communities. Decision makers need to expand awareness of the socioeconomic benefits of the energy transition and underscore the need for proactive policy-making to shape outcomes—maximizing benefits while minimizing burdens.

To navigate this complex terrain successfully, policy-making must embrace holistic approaches, recognizing the energy sector's integral role in the global economy and its profound influence on climate and ecosystems. Achieving a just transition to clean energy necessitates not only environmental stewardship but also equitable socio-economic transformation.

This event aims to delve into these critical issues, examining policy implications for building a well-skilled and diverse renewable energy workforce, highlighting broader socioeconomic impacts, and considering key actions to ensure a just transition for workers and communities affected by the energy transition.

#### **Objective of the session**

The event aims to foster a deeper understanding of the socio-economic impacts of clean energy adoption, emphasizing the necessity of proactive policy formulation. By bringing together key stakeholders, we aspire to pave the way for a just transition that maximizes benefits and minimizes burdens, ensuring a sustainable and equitable energy future, and unlock the full potential of clean energy for the betterment of societies, economies, and the planet.

**Guiding questions**

- Explore the current trends in employment in the renewable energy sector while discussing the policy implications for developing a skilled and diverse renewable energy workforce;
- Highlight the broader socioeconomic impacts of clean energy adoption towards a 2030 and 2050 renewable-based energy sector;
- Identify key actions to ensure a just transition for workers and communities impacted by the energy transition.