Social protection is an “enabler” for adopting pro-climate policies with adverse social impacts.

Many countries spent outsize portions of their social budgets on fossil subsidies, which encourage wasteful consumption of fossil fuels such as gasoline and contribute to the effects of climate change. As part of efforts to combat climate change and reign in public spending, some countries are aiming to reduce fossil fuel subsidies. But as subsides are reduced, the cost of fuel increases, placing new pressures on low-income and middle-income households.

In response, many governments are pairing price increases with new social protection programs to protect those who were most negatively affected and to build national social protection systems where they do not yet exist. Some countries, like Iran, have even introduced forms of universal social protection schemes with savings generated through subsidy reform.

Social protection offsets losses from the effects of climate change and the adverse impacts of pro-climate policies on people.

China’s forests are threatened by human activity, jeopardizing their ability to sequester carbon and combat soil erosion. In 1998, the Government enacted a logging ban across newly protected lands. Nearly 1 million state forest workers and another 120 million rural residents were adversely affected by the new restrictions. However, new forest management opportunities, unemployment protections and state-led active labour market policies have assisted many affected workers to find jobs elsewhere. Meanwhile, some 32 million rural households began receiving cash to perform conservation activities.

Social protection systems reduce the time and costs associated with relief efforts: the establishment of additional programmes is urgently needed.

Existing social protection systems reduce the time and costs associated with relief efforts: the establishment of additional programmes is urgently needed.

In Paris, governments recently sought to outline protections for the environment and people as countries make the move towards more sustainable paths of development. The principles of a “just transition” for workers adversely affected by this move and the “loss and damage” resulting from adverse events clearly attributed to climate change are present in the Paris Agreement. However, mentions of other transitional needs are absent. Only informal principles or recommendations exist for coupling these efforts with meaningful social protection measures.

New tools for measuring welfare effects of climate-related policies are needed, and clearer guidance—such as the ILO guidelines on sustainable development, decent work and green jobs—should also be considered when seeking to transition toward greener, more sustainable development paths.

Development and testing of interventions are needed to measure the net welfare and environmental impacts when multiple policies are at play.

Read country case studies on social protection and climate change.

This series of country case studies uncover the lessons learned from the concrete experiences of several countries that have used social protection in their fight against climate change.

Learn more at: climatechange.social-protection.org