### Brazil's Energy Evolution

From Poverty to Green Jobs: Brazil's Sustainable Shift

Opinion piece

### Author:



Adriano Correia Head of Energy, Utilities & Resources, PwC Brazil Institution:



At PwC, we bring together the collective experience of more than 360,000 people in our expansive network of firms in 151 countries to solve for tomorrow. Find out more and tell us what matters to you by visiting us at www.pwc.com.

Keywords: energy, sustainability, poverty, skills, Brazil

### INTRODUCTION

In the vast and vibrant Brazil, a country known for its breathtaking landscapes and pulsating culture lies a critical challenge that impacts millions of its citizens and the global community alike: the quest for sustainable energy and social equity. As the world grapples with the urgent need for clean energy solutions and the reduction of carbon footprints, Brazil's story offers a unique perspective on the intersection of environmental sustainability, economic growth, and social justice.

Despite significant advancements in renewable energy technologies and green job creation, Brazil confronts the persistent issues of energy poverty and environmental degradation. For many Brazilians, the cost of electricity and gas consumes a substantial portion of their income, forcing difficult choices between essential needs like food and keeping their homes powered. This situation is further complicated by the country's reliance on resource-intensive industries, which, while economically significant, pose challenges to environmental preservation and equitable social development.

As we delve into Brazil's energy landscape, it's essential to recognize the individuals and communities at the heart of this narrative. Women, who disproportionately bear the burden of energy poverty, Indigenous peoples facing the threat of land dispossession, and workers navigating the transition to green economies emerge as central figures in the pursuit of a just and sustainable energy future.

This introduction serves as a gateway to understanding the complexities of Brazil's energy dilemma and the efforts to forge a path towards a greener, more inclu-

sive society. Through a detailed exploration of Brazil's challenges, achievements, and the ongoing transformation in its energy sector, we aim to shed light on the broader implications for global environmental policy, social equity, and the collective responsibility towards our planet.

### **ENERGY POVERTY IN BRAZIL**

Energy poverty, a term that encapsulates the struggle of households to afford their electricity and gas bills, has increasingly become a pivotal concern for Brazilian society.

In 2022, an eye-opening survey conducted by the Instituto Clima e Sociedade (ICS) uncovered a stark reality: nearly 46% of Brazilian families were allocating half or more of their income to cover energy costs.¹ This financial burden is not evenly distributed across the population. It disproportionately impacts those at the intersections of vulnerability - women, mothers, and black people - who are more likely to bear the brunt of the electricity divide.

The consequences of energy poverty extend beyond the immediate financial strain. It has broader social implications, intricately linked to about 3.2 million premature deaths globally each year due to the use of unclean cooking fuels, with women and children being the most affected.<sup>2</sup> In Brazil, the scarcity of accessible and affordable electricity forces approximately 14 million households to rely on alternative sources such as wood or coal for cooking.3 This not only poses severe health risks due to indoor air pollution but also perpetuates a cycle of time and resource poverty, particularly among women who are often responsible for gathering these materials.

72 73

Moreover, the intermittent or poor quality of electricity supply in certain areas hinders economic opportunities, particularly for those working from home. Whether it's the production and sale of food, manual services, or computer-based work, reliable energy is a cornerstone of household income generation and social mobility.

# »The consequences of energy poverty extend beyond the immediate financial strain.«

The stark reality faced by 22% of Brazilians, who have had to forgo purchasing basic food items to keep their utilities running, illuminates the gravity of energy poverty. This forced choice between sustenance and electricity highlights an urgent need for solutions that address both the symptoms and the underlying causes of energy poverty in Brazil.

As Brazil stands at a crossroads, grappling with the multifaceted challenges of energy poverty, it is imperative to seek comprehensive strategies that not only alleviate immediate financial burdens but also ensure long-term sustainable and equitable access to energy for all citizens. The journey towards overcoming energy poverty in Brazil is not just about lighting homes but igniting hope and empowering communities to thrive in a modern, inclusive economy.

### THE RISE OF GREEN JOBS

The global shift towards sustainability and environmental stewardship has given rise to an important economic and social phenomenon: the proliferation of green jobs. In Brazil, a country blessed with rich biodiversity and vast renewable energy resources, the green job sector represents a beacon of hope and opportunity amidst the challenges of energy poverty and environmental degradation. This burgeoning sector not only promises to drive economic growth but also to play a crucial role in Brazil's transition to a more sustainable and equitable future.

Green jobs, as broadly classified by the International Labour Organization (ILO) in 2010, encompass positions within green economic activities. These jobs aim to improve environmental quality, reduce energy, materials, and water consumption through high-efficiency strategies, decarbonize the economy, and minimize or altogether avoid all forms of waste and pollution. In Brazil, this definition takes on a unique significance given the country's environmental assets and the pressing need to address its socio-economic challenges.

In 2008, ILO estimates suggested that Brazil was home to approximately 1.4 million formal green jobs, accounting for 3.6% of all formal employment in the nation. An even broader definition expanded this number to 4.8 million jobs or 12% of Brazil's total formal employment. These figures underscored the already significant role of green skills and jobs in Brazil's economy, a trend that has only grown as the country seeks to balance economic development with environmental sustainability.

The rise of green jobs in Brazil is not just a testament to the country's evolving labor market but also a critical component of its strategy to combat environmental degradation and promote social inclusion. The transition towards a green economy presents an opportunity to address several pressing issues simultaneously: reducing carbon emissions, conserving natural resources, and generating sustainable livelihoods, especially for the most vulnerable segments of society.

Green jobs span a wide array of sectors, from renewable energy production and energy efficiency to sustainable agriculture, forestry, waste management, and environmental conservation. These sectors not only contribute to mitigating climate change and protecting ecosystems but also offer pathways to diversify the economy and reduce dependence on natural resource-intensive industries.

Despite the potential of green jobs to drive positive change, Brazil faces several challenges in fully realizing this potential. The controversial classification of certain jobs as "green" underscores the complexity of defining and measuring the impact of these roles. Moreover, the transition to a green economy requires significant investment in education and training to equip the workforce with the necessary skills. This is particularly important as the country navigates the twin challenges of economic recovery and environmental sustainability.

However, the opportunities presented by the green job sector are immense. By investing in green technologies and skills, Brazil can not only enhance its environmental credentials but also create a more inclusive and resilient economy. This involves not just creating new jobs but also greening existing ones, ensuring that all sectors of the economy contribute to a sustainable future.

### **SKILLS FOR GREEN JOBS**

The demand for a workforce equipped with green skills is rapidly growing. These skills, which range from renewable energy technology to sustainable agriculture practices, are crucial for the development, deployment, and maintenance of green jobs across various sectors. However, the current availability of such skills in the Brazilian labor market is insufficient to meet the burgeoning demand. This gap underscores the necessity for robust, responsive TVET (Technical and Vocational Education and Training) systems capable of preparing the workforce for the future of green employment.

TVET institutions are uniquely positioned to bridge this gap by offering specialized training and education programs focused on the competencies required for green jobs. This includes not only technical skills but also soft skills such as adaptability, problem-solving, and teamwork, which are equally important in the context of sustainable development.

Despite the clear need for enhanced education and training for green jobs, Brazil faces several challenges in realiz-

>>The demand
for a workforce
equipped with
green skills is
rapidly growing.«

75

4

ing this vision. The economic slowdowns and recent recessions, coupled with high unemployment rates, have hampered progress towards a green economy and the development of green jobs. Moreover, budget cuts have strained the country's education and environmental protection sectors, posing additional hurdles to the advancement of green skills training.

However, these challenges also present opportunities for innovation and reform in Brazil's education system. There is a growing recognition of the need to realign educational programs with the demands of a green economy, which could drive significant improvements in TVET systems. This includes updating curricula to include green skills, investing in teacher training, and enhancing the infrastructure of educational institutions to better support practical, hands-on training in green technologies.

To leverage the full potential of green jobs, a concerted effort is needed from all stakeholders, including government, industry, educational institutions, and civil society. This entails not only increasing investment in TVET systems but also fostering partnerships between the public and private sectors to align training programs with the evolving needs of the green job market.

### LAND MANAGEMENT AND STAKEHOLDER ENGAGEMENT

Brazil's land management challenges are as diverse as its ecosystems. From the Amazon rainforest to the Cerrado savanna, each area presents unique issues, including deforestation, illegal land grabs, and the unsustainable exploitation of natural resources. These challenges are exacer-

bated by economic pressures to expand agriculture and mining, often at the expense of environmental integrity and social equity. Moreover, the lack of clear land tenure and governance structures complicates efforts to implement sustainable land management practices.

One of the most critical aspects of these challenges is the impact on Indigenous lands, which are under increasing threat from deforestation and encroachment by agricultural and mining interests. Indigenous communities, with their deep-rooted connections to their territories and vast knowledge of sustainable land use, are essential allies in the preservation of biodiversity and the fight against climate change. However, their rights and contributions are often marginalized in decision-making processes.

Recognizing the complexities of land management in Brazil, several strategies have emerged to promote sustainability while enabling social justice. Central to these strategies is the principle of inclusivity, ensuring that stakeholders, especially Indigenous peoples and local communities, are actively involved in the planning and implementation of land management policies.

Inclusive approaches are key to sustainable land reform. This mantra underscores the importance of collaborative governance models that prioritize dialogue and partnership. By involving Indigenous communities, local farmers, environmental organizations, and the private sector, Brazil can develop land management practices that are both environmentally sustainable and socially equitable.

Key to these efforts is the legal recognition and protection of Indigenous lands.

Securing land rights for Indigenous peoples not only safeguards their way of life but also promotes the conservation of critical ecosystems. Moreover, integrating traditional knowledge with modern conservation science can offer innovative solutions to land management challenges.

Another essential strategy is the implementation of sustainable agricultural practices that balance productivity with environmental preservation. This includes agroforestry, organic farming, and the restoration of degraded lands, which can enhance biodiversity, improve soil health, and increase carbon sequestration.

Stakeholder engagement extends beyond consultation to active participation in decision-making processes. This requires transparent mechanisms for dialogue and the establishment of multi-stakeholder platforms that facilitate the exchange of knowledge and experiences. Furthermore, capacity-building initiatives can empower communities to advocate for their rights and interests, ensuring their voices are heard in land management debates.

### CONCLUSION

Brazil stands at a pivotal moment in its journey toward sustainable development, facing the dual challenge of addressing energy poverty and seizing the opportunities presented by the transition to a green economy. This narrative has explored the complex landscape of Brazil's energy challenges, underscored the transformative potential of green jobs, and highlighted the critical role of sustainable development in shaping the country's future.

Sustainable land management and the engagement of Indigenous peoples and local communities are indispensable

77

in Brazil's green transition. Inclusive approaches are key to sustainable land reform, enabling policies and practices that respect the rights and knowledge of those who have stewarded these lands for generations. The challenges of transitioning to a green economy are significant, from overcoming dependency on resource-intensive economic activities to enacting comprehensive policy reforms. However, Brazil's potential leadership in renewable energy and the crucial role of stakeholder engagement provide a clear direction forward.

## »Inclusive approaches are key to sustainable land reform.«

Policy, education, and stakeholder engagement emerge as foundational pillars in navigating Brazil's transition. Strengthening environmental legislation, investing in technical and vocational education to support green jobs, and fostering inclusive dialogue among all stakeholders are essential steps. This holistic approach enables Brazil's green transition to be not only environmentally sustainable but also socially equitable.

As we consider the interconnectedness of these issues, it becomes clear that the journey toward a sustainable future is a collective endeavor. It requires the commitment of government, industry, civil society, and individuals alike. A call to action resonates for all stakeholders

to consider the importance of sustainable development and equitable energy access. By prioritizing policies that support green jobs, investing in education to equip the workforce for the future, and engaging all segments of society in the dialogue, Brazil can chart a course toward a more sustainable, inclusive, and prosperous future.

In closing, let us remember that the transition to a green economy in Brazil is not merely an environmental or economic issue—it is a profound opportunity to redefine the social contract for a new era. It offers a chance to address longstanding inequities, empower communities, and weave a new narrative of development that places people and the planet at its heart.

Pavanelli, Patricia and Vanderlei, Aline (2022). "Pesquisa Crise Energética". IPEC - Inteligência em Pesquisa e Consultoria. Page 46

World Health Organization (2023). Household Air Pollution https://www.who.int/news-room/fact-sheets/detail/household-air-pollution-and-health

Pesquisa Nacional por Amostra de Domicílios Contínua (PNAD Contínua). IBGE - Instituto Brasileiro de Geografia e Estatística (2019). Available on: https://www.ibge.gov.br/estatísticas/multidominio/condicoes-de-vidadesigualdade-e-pobreza/17270-pnad-continua.html?edicao=24437&t=resultados

<sup>4</sup> Pavanelli, Patricia and Vanderlei, Aline (2022). "Pesquisa Crise Energética". IPEC - Inteligência em Pesquisa e Consultoria. Page 37

<sup>&</sup>lt;sup>5</sup> International Labor Organization (2018). Skills for Green Jobs in Brazil.