

## Cities Economic Outlook

#2  
11.2023

### Bolder climate policies would make cities more resilient to economic uncertainty in 2024.

Economic growth will be sluggish in 2024, as the IMF and the World Bank suggest the risk of a recession persists. Inflation will be lower than in the past two years, but it will still be higher than expected in April 2023—keeping prices too high for most—while progress in the labour markets lag, especially in the Global South.

Stubborn inflation may signal that central bank rates should remain high, but **our focus should be on ensuring that the entire world, not just advanced economies, can afford to invest in a green and just transition.** It is much harder to do this if bank rates are elevated and the fossil fuels industry continues to peddle its delaying tactics.

This is a dangerous backdrop for 2024, when over half the world's population is expected to go to the polls and choose—where democracy allows it—between climate doers and climate delayers. Cities' role at this crucial junction is greater than most realise.

**50M** number of green jobs needed for C40 cities to deliver their fair share of emissions reduction

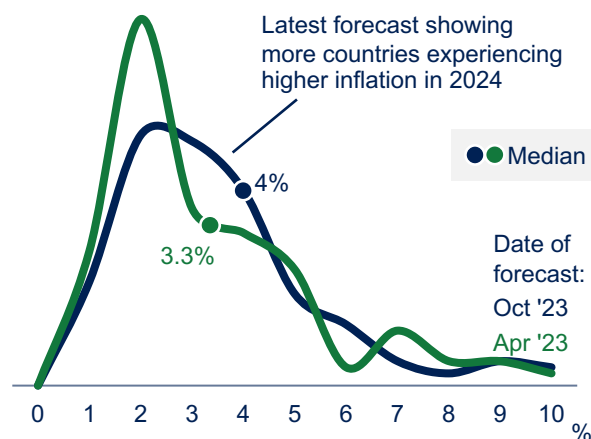
Mayors planning for the potential turmoil in 2024 should embrace the **job creation opportunities** of city climate action.

In the short term, green jobs build a city's resilience to economic shocks thanks to their anti-cyclical nature (affordable housing, public transport, care work, and renewable energy are no less needed in a recession). Instead, high-carbon industries like oil & gas, fast fashion, and speculative real estate are more vulnerable to the risk of a 2024 economic slowdown, putting people's job security at risk.

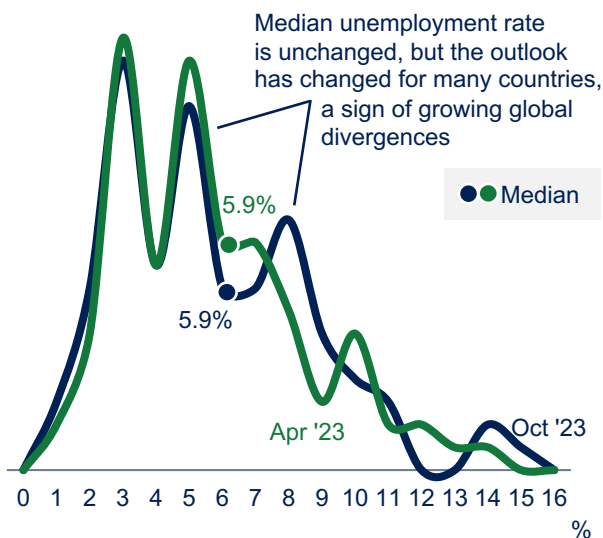
In the medium and long term, adopting policies that mitigate climate change is also associated with more green patent filings, a recent [IMF study](#) found, counter to the idea that planet-friendly regulation stifles innovation.

### Stubborn inflation and uneven labour markets shape our mixed outlook for 2024

2024 inflation forecast distribution



2024 unemployment rate distribution



Source: C40 Centre analysis of IMF data

**Our outlook for 2024 is mixed.** Business-as-usual may have gotten the world back on track after the COVID-19 and the cost-of-living crises, but a new approach is needed for the climate crisis. Governments should follow the lead of Mayors: act on climate and shelter their residents from looming economic uncertainty.

### More from the C40 CENTRE

- Sign up to our [newsletter](#).
- Listen to our podcast: *Cities 1.5* [online](#) or on [Apple Podcasts](#) and [Spotify](#).
- Read and contribute to our [Journal for City Climate Policy and Economy](#).