



CIRCULAR JOBS CAN BOOST A JUST TRANSITION IN EUROPE

Policy Brief

April 2024



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KEY INSIGHTS FROM THIS BRIEFING

1. The upcoming EU elections present a unique opportunity to simultaneously reflect on two pressing priorities: investing in workers and advancing green ambitions. Amidst growing concerns about the environmental impact of the ways our economies function, the concept of a circular economy is being spotlighted as a promising solution. The global [Circularity Gap Report 2024](#) highlighted the potential of the circular economy in reducing pressure on our planetary boundaries whilst also creating new economic and job opportunities.
2. While significant strides have been made in setting targets and developing roadmaps to transition towards a circular economy in Europe, a crucial barrier remains: skills are mismatched with demand from the labour market. The realisation of circular economy goals is hindered by, in part, the lack of initiatives focused on ensuring individuals are equipped with the necessary expertise and competencies to drive this transition forward.
3. Addressing this gap will be imperative to ensure that circular economy targets are not merely aspirational but also achievable, and can translate into new opportunities for people in Europe. This briefing serves as a guide to navigating how the circular economy agenda can be advanced while simultaneously expanding job opportunities and cultivating skills across the EU workforce.
4. By leveraging the momentum of the upcoming EU elections, policymakers have the opportunity to enact initiatives that not only prioritise sustainability but also support the economy and job creation. Investing in workforce development programmes tailored to the needs of the circular economy alongside other policy measures can unlock a wealth of opportunities for individuals seeking employment while simultaneously propelling the transition towards a more sustainable and greener Europe.



NOW IS A CRITICAL TIME TO SEIZE THE OPPORTUNITIES THE GREEN AND CIRCULAR TRANSITION OFFERS TO WORKERS IN EUROPE

The 2024 EU elections provide a critical opportunity to uphold and advance a sustainable transition with new opportunities for workers in Europe. While the *European Green Deal* has been a landmark policy framework to address climate change, its success relies heavily on sustained support, expanding its implementation in Member States and implementing complementary policies and funds to create job opportunities, such as promoting circular economy practices in key industries.

The current boom in circular economy roadmaps and demand for green skills¹ across Member States is promising, yet skills shortages and lacking pathways for workers into jobs that can drive these strategies pose a significant obstacle. To truly transform industries, the workforce must be equipped with the necessary skills, particularly in repurposing energy and infrastructure. This includes, for example, professionals working in the installation, maintenance and repair of renewable energy systems (such as solar panels and wind turbines), as well as green building professionals with expertise in designing and constructing sustainable infrastructure with eco-friendly materials. **The circular economy goes beyond merely creating new jobs; it involves transforming existing industries using many skills already present in the workforce.** This approach is both labour-intensive² and skill-intensive³, and it has the added potential benefit of creating jobs closer to home compared to other green alternatives.

CREATING ALTERNATIVE JOB OPPORTUNITIES IN THE CIRCULAR ECONOMY

'If they know how to build it, they know how to dismantle it.'

This quote from a representative from a wind turbine refurbishment company in Scotland illustrates that many previous oil and gas workers have the skills to take up new roles including in decommissioning, remanufacturing and the renewables industry.⁴

The circular transition offers opportunities for workers across Europe. However, the heterogeneous implementation of green policies and plans across industries and Member States poses a challenge. Some region's workers are already better equipped to face the transition than others, due to, for example, the quality of adult and other forms of education, labour market policies and social protection systems where they live and work. This imbalance risks contributing to the 'brain drain' phenomenon experienced by lagging regions over the last decade.⁵ Job losses resulting from the transition of energy-intensive industries are likely to be more localised while job gains will likely be more spread out across Member States. The Just Transition Fund (JTF) aims to reduce these inequalities. Yet as this briefing will demonstrate, the Fund's thematic and financial scope is still too narrow to support the realisation of the circular economy's job creation potential.

Drawing on the findings of the [Circularity Gap Report 2024](#)⁶, this briefing outlines the key policy measures for Member States and Members of European Parliament (MEPs) to advance the circular economy agenda and boost job opportunities. This includes pushing for the introduction of circular economy interventions as an enabler of the just, green transition, and expanding the scope and reach of the JTF. It also calls on Member States to develop tailored policies and programmes to support workers. Indeed, Member States have a key role to play in establishing training and education programmes, creating funds to support workers transitioning from traditional industries to green sectors and job placement services to help workers find employment in emerging green industries. It focuses on key sectors: construction and manufacturing, two global value chains that the *Circularity Gap Report 2024* prioritised to scale the circular economy in Europe.

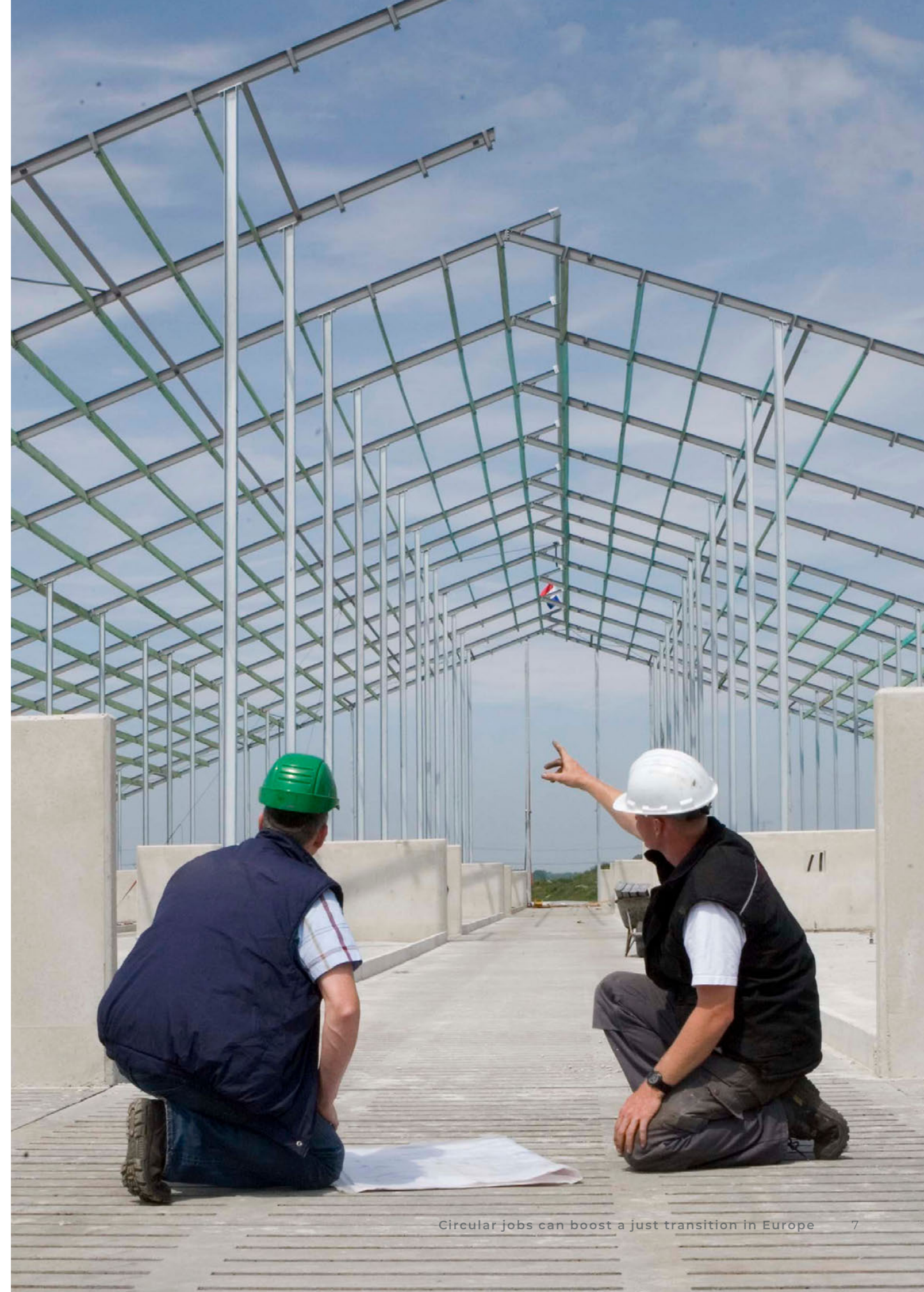
KEY FINDINGS FROM THE *CIRCULARITY GAP* *REPORT 2024*

This year's *Circularity Gap Report* gives public decision-makers the direction and tools to support workers in the circular transition. For Europe, it focuses on doing so in the construction and manufacturing sectors.

The circular economy provides many opportunities to transform business models and create new jobs in the construction sector. However, current critical knowledge and skills gaps prevent the delivery of circular solutions at scale. The *Circularity Gap Report 2024* highlights some key opportunities for workers in the construction sector in the context of this transition. Circular opportunities for the built environment include making the most of what already exists through renovation, retrofitting and adaptive reuse, equipping buildings with clean energy, prioritising circular materials and approaches, and reusing waste as much as possible to reduce the need for virgin materials. If done right, the circular construction sector could become a more safe and inclusive working environment for workers, through, for example, the scaling of off-site construction strategies that take place in more sheltered, controlled environments.⁷ For this to happen, workers need to be supported in accessing the right skill set. Public authorities' role is therefore twofold: they should start by reviewing the current state of skills and qualifications, as well as outlining which ones will be necessary. Secondly, they should support the development of the necessary circular skills by working with Technical Vocational Education and Training (TVET) institutions to develop relevant certifications, and investing in public training services.

Similarly, in the manufacturing sector, growing opportunities are available for workers in the new business of upgrading, repairing, refurbishing and remanufacturing goods. However, workers have not been prepared for the changes in their jobs: new opportunities are emerging in recycling, reverse logistics and secondary material markets, for example, which are not yet being filled due to

a lack of specialised workers to take up these roles. Public authorities should make efforts to increase awareness of career opportunities in these areas. This should come hand in hand with reducing stigma related to manual work of this kind and ensuring that such jobs are decent (fairly paid and safe from harm) and open to all genders. More needs to be done to invest in skills and education, by, for example, developing micro-certifications that can enable workers and adult learners to embed circular practices into their current roles through TVET.





THE VALUE OF THE CIRCULAR ECONOMY SHOULD BE ARTICULATED WITHIN AND FACILITATED BY THE JUST TRANSITION FRAMEWORK

Over the last five years, the EU has successfully accelerated the deployment of frameworks and policies to support the green transition. A significant milestone in the EU's commitment to this transition is the successful adoption of the *European Green Deal*, of which the circular economy is an integral part. This comprehensive initiative serves as a blueprint for achieving climate neutrality by 2050, outlining ambitious targets and actions across various sectors. The *European Green Deal* emphasises the need for a 'Just Transition', acknowledging that workers in industries undergoing transformation will face challenges.

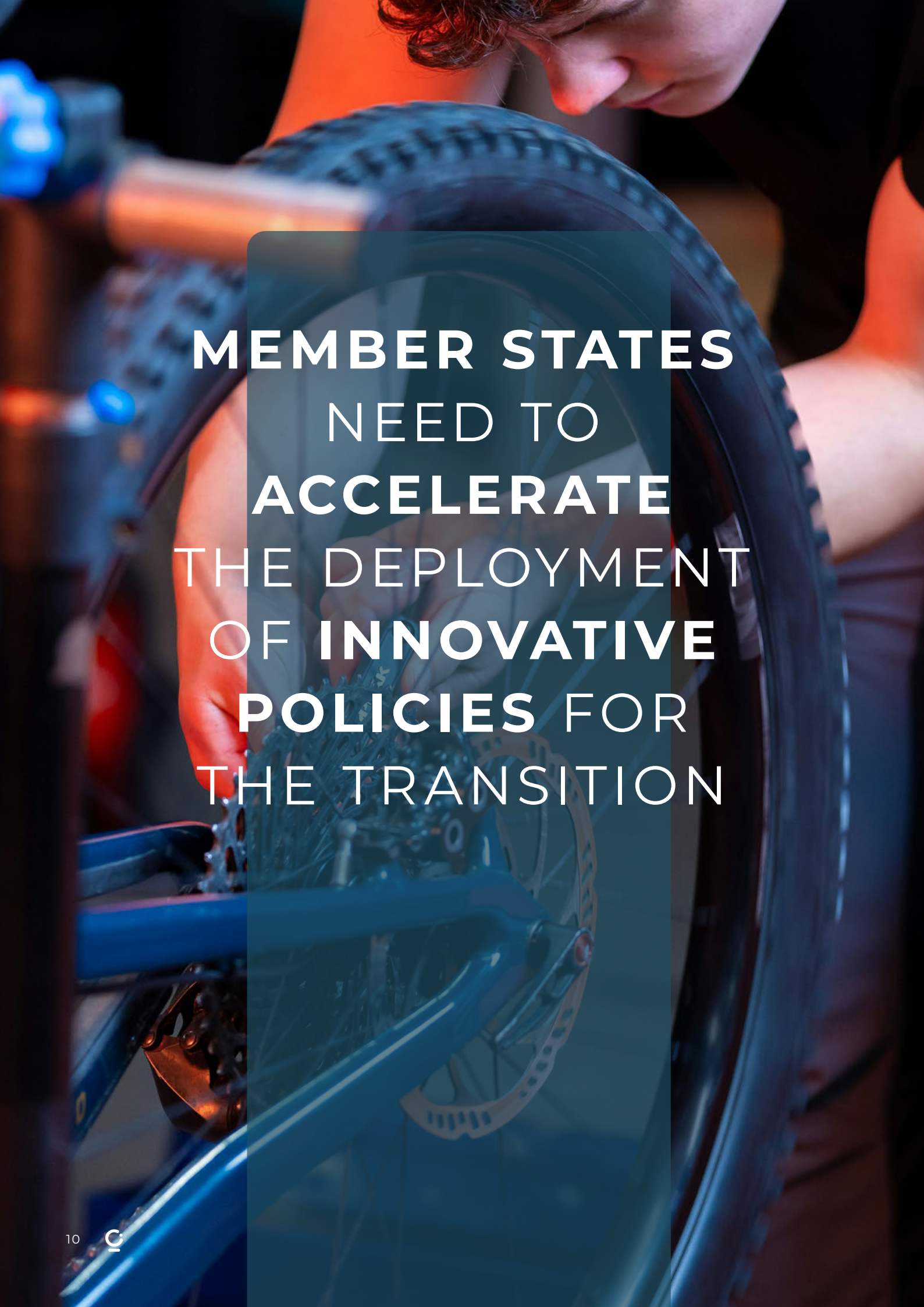
The Cohesion Policy framework has long been a crucial component in addressing regional disparities and supporting regions heavily dependent on industries undergoing transition. Now, least-developed regions with particularly fossil-heavy industries are also beneficiaries of **Just Transition Funds (JTF), with €17.5 billion⁸ in targeted funding to help regions support the economic diversification and reconversion of their territories.**⁹ Although the funds are still being implemented, there is already some evidence that the allocation of resources through these funds has helped foster economic resilience and facilitate the shift toward more sustainable practices in various EU Member States.¹⁰ The Just Transition Scheme under Invest EU, another pillar of the Just Transition Mechanism (JTM), provides €1.8 billion¹¹ for a broader range of projects, including circular economy initiatives, and leverages private and public sector investment.

Various civil society organisations have recently stressed the limitations of the JTF and have called for more ambition during this time of political change at the EU level.¹² **There are concerns that the JTF's existing scope is too narrow, focusing mainly on coal and carbon-intensive regions, and that social partners—such as unions—are not reflected enough in its governance structure.** Next to this, there is **little mention of the circular economy as a tool for transforming industries within Just Transition plans**, despite ample evidence demonstrating the benefits of the circular economy in terms of good job creation and transformation.

THE JOB BENEFITS OF THE CIRCULAR ECONOMY IN EUROPE

- Circular economy jobs grew by 11% in Europe between 2015 and 2021 according to the European Monitoring Framework.¹³
- The shift in labour and skills demand includes reprocessing secondary materials, repair and maintenance, sharing services, and generally a shift away from resource-intensive industries.
- With Europe taking the lead in many cases in the development of circular economy policies, it stands to benefit from the 'first mover advantage'.

Other sources have argued that Just Transition plans have so far focused too little on improving quality of life and addressing existing inequalities in the workplace. If social partners are not better involved and no greater policy importance is placed overall on fair and decent work, the plans will miss the opportunity to create a transition that is both economically, environmentally and socially fair¹⁴ and makes Europe a better place to live and work for everyone, as well as more sustainable.



MEMBER STATES NEED TO ACCELERATE THE DEPLOYMENT OF INNOVATIVE POLICIES FOR THE TRANSITION

While EU policies and funds serve a very specific aim—ensuring a harmonious and equal transition throughout the EU—employment is a shared competence of Member States. As such, **Member States need to dramatically accelerate their current efforts in supporting workers in navigating the green transition.** The circular economy's potential in terms of job creation needs to be recognised in national policies supporting the transition, including in the areas of industry, labour, education and social protection. This is vital because:

- The circular economy is increasingly understood as a means to **boost economic resilience and revitalise industries that have previously been delocalised.** Circular jobs are not just new jobs but also *transformed* jobs.¹⁵ In the construction sector, legislation has created new opportunities for deconstruction and material reuse specialists, as well as designers and architects with eco-design expertise. New ways of cycling materials are also leading to increased demand for researchers in this field. Workers already active in the field can benefit from short trainings on Building Information Modeling (BIM) to optimise construction processes and minimise waste, as well as opportunities in prefabrication and modular construction.¹⁶
- **The circular economy is present throughout all industries and offers prospective employment for all skill levels, from highly-skilled and medium-skilled to elementary-skilled workers.** The implementation of the upcoming EU regulation on separate collection schemes for textiles is a good example of how circular initiatives can boost job creation. Workers will be needed to develop sorting infrastructure and work in sorting centres, for example, with the latter requiring few up-front qualifications. It is key to ensure that such new jobs are operating in safe and just conditions.
- As EU Member States come to realise that they are living largely outside of existing planetary means, an increasing policy focus will be placed on **sufficiency.** Here again, the circular economy can be an essential lever for providing jobs that promote more resource-efficient lifestyles, whether through second-hand retail, repair services and new business models such as rental

and leasing. The Dutch bicycle rental offering Swapfiets is a key example of a fast-growing startup operating by such a model. It offers growing and varied opportunities for employment in sales and repair.¹⁷

Member States need to offer more proactive policies that promote and safeguard employment as circular economy solutions are rolled out. In all upcoming and current legislation regarding the green transition, policy officials need to get better at addressing the labour consequences, both good and bad. This concretely means that decision makers should:

1. **Plan effective industrial policies that prioritise those sectors of the economy most at risk in the transition**, and effectively map the new skills and associated training that will be required in the future. Member States can draw from current major legislation such as the *Zero Industry Act* or the *Critical Raw Materials Act* to roll out national strategies with a specific focus on workers, (as demonstrated in box 1).
2. **Secure major funding for social protection and skills policies to ensure all workers can be supported in the transition**, as well as upskilling and retraining programmes in particular. Both micro-certifications and longer-term training programmes will be necessary. Public-private partnerships in this area can help ensure timely upskilling and a more shared responsibility for skills development between the public sector and local industry, (as demonstrated in box 2).
3. **Roll out innovative and targeted policy tools to assist workers, such as job guarantees²⁰ for workers transitioning into circular and green employment**. This can include tools to channel new circular jobs in areas where they are needed most. Sweden has set up an employment office in the north of the country to ensure the labour supply aligns with developments in the renewable energy industry. Circular jobs in the renewable energy sector notably include recycling and resource recovery specialists and remanufacturing engineers operating on-site, (as demonstrated in box 3).

1

PREPARING FOR THE FUTURE: LOCAL INDUSTRY INTEGRATING THE CIRCULAR ECONOMY IN IRELAND'S *GREEN SKILLS* *ACTION PROGRAMME*¹⁸

In recent years, Ireland has prioritised the alignment of policy initiatives with sustainable job and skill profiles. The Future Jobs Ireland initiative was launched in 2019, emphasising the significance of targeting the low-carbon economy to address imminent labour market transitions and foster resilient, quality jobs. The Future Jobs Ireland initiative is part of a broader government strategy, connected to initiatives such as Project Ireland 2040 and the national Climate Action Plan. It specifically underscores the importance of decarbonising the economy to unlock job creation opportunities in the renewable energy sector, the circular economy, and the bioeconomy.

The Green Skills Action Programme, established in 2021, acts as an overarching framework for green skills policies, funded through the European National Recovery and Resilience Plan. It addresses climate justice, sustainable development and the bioeconomy, encompassing three pillars: green skills for life, green skills for construction and green skills for careers, with a comprehensive goal of achieving Ireland's ambitious climate targets by 2030. The initiative includes course offerings on the circular economy, and focuses on technological solutions for energy efficiency and efficient resource management for activities, such as waste reduction and reuse and material efficiency.

2

COMPANY TRAINING PROGRAMME FOR REFURBISHED ELECTRONIC GOODS

Murphy, a French company specialised in repairs for household appliances, has inaugurated its own training academy in partnership with pôle emploi (French PES). The academy's first batch, consisting of jobseekers, individuals undergoing retraining and recent graduates, commenced with a six-month training programme to become household appliance repairers. With a focus on reducing waste and valuing manual labour,

Murphy Academy provides practical training for technicians, which can lead to a permanent contract. The repair sector is supported by government measures, including the anti-waste law for a circular economy and the recently-introduced reparability index. The company's initiative aligns with both France's social and environmental goals, as reflected in the upcoming sustainability index scheduled for 2024, which aims for a 60% repair rate for electrical and electronic products within the next five years.¹⁹

3

TARGETED PUBLIC SERVICES FOR GREEN JOBS: THE PUBLIC EMPLOYMENT SERVICE OF NORTHERN SWEDEN (ARBETSFÖRMEDLINGEN'S OFFICE FOR TRANSFORMATION AND MATCHING IN THE NORTH, SKELLEFTEÅ, VÄSTERBOTTEN, SWEDEN)

The Arbetsförmedlingen's office for Transformation and Matching in the North, a specialised employment office, is strategically focused on harnessing the abundant natural resource potential in Skellefteå, in the north of Sweden. With the region poised for substantial growth in renewable energy development, driven by critical raw materials, the Swedish government has proactively established this employment office to attract and manage green talent.

Anticipating significant investments in the industry, the government envisions the creation of 25,000 new industrial jobs. Consequently, taking into account indirect and induced jobs, the overall impact is expected to result in a staggering 100,000 new job opportunities in northern Sweden. It is noteworthy, however, that a majority of these green jobs do not necessarily demand highly specialised qualifications. Basic education suffices for approximately 80% of the 100,000 new positions, highlighting the inclusive nature of the employment opportunities in the green sector.



THE WAY FORWARD

SEIZING JOB OPPORTUNITIES IN THE CIRCULAR ECONOMY FOR WORKERS IN EUROPE

Circular jobs can boost a just, green transition in Europe. To ensure that the benefits of the transition translate into regional and national jobs, EU and Member State decision makers must embrace the following priorities:

1. **Garner further support for the *European Green Deal*** by placing workers at the forefront of the transition and clearly articulating how they will use green and circular policies to create jobs. Ensure that this transition will truly leave no one behind.
2. **Actively support legislative processes that advance the EU's JTF and the circular economy as an enabler of the green transition**, such as a unified legal framework for a Just Transition.²¹ The circular economy should be presented as the logical means to cut or end industrial emissions in regions with high carbon intensities by transitioning towards greener practices. The Belgian presidency of the Council of the European Union in 2024 is an excellent platform to make the circular economy within the Just Transition a key focus.
3. **Prioritise funding skilling and reskilling programmes in Member States' key industries** to boost resource efficiency and increase employment opportunities as much as possible. Member States actively involved in implementing and monitoring their Just Transition plans should further integrate the circular economy as an integral means to achieve their sustainability goals.
4. **Urge unions and businesses to work closely together** to ensure that circular jobs are decent jobs, meaning that workers operate in safe working conditions, with adequate representation, compensation and access to development opportunities. Legislators within Member States should pay particular attention to lower-skilled, labour-intensive roles, especially within the construction and manufacturing sectors.

ENDNOTES

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The image shows the cover of 'The Circularity Gap Report 2024'. It features a dark blue background with a large, glowing circular graphic in the center. Inside the circle, the text 'THE CIRCULARITY GAP REPORT 2024' is visible. Below the main title, there is a smaller text box that reads 'A circular economy to live within the safe limits of the planet'. The overall design is modern and professional.

For more insights on the circular economy strategies to be scaled in *Shift* Countries and how to use policy, finance and labour to unlock them, check out the

[Circularity Gap Report 2024](#)

ACKNOWLEDGEMENTS

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The image shows the Creative Commons Attribution-ShareAlike 4.0 International License logo, which consists of three circular icons: the CC logo, a person icon (BY), and a circular arrow icon (SA).

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The logo for Circle Economy, featuring a stylized circular arrow.

Circular jobs can boost a just transition in Europe

17

