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Impact of the climate and circular economy transitions on jobs and skills

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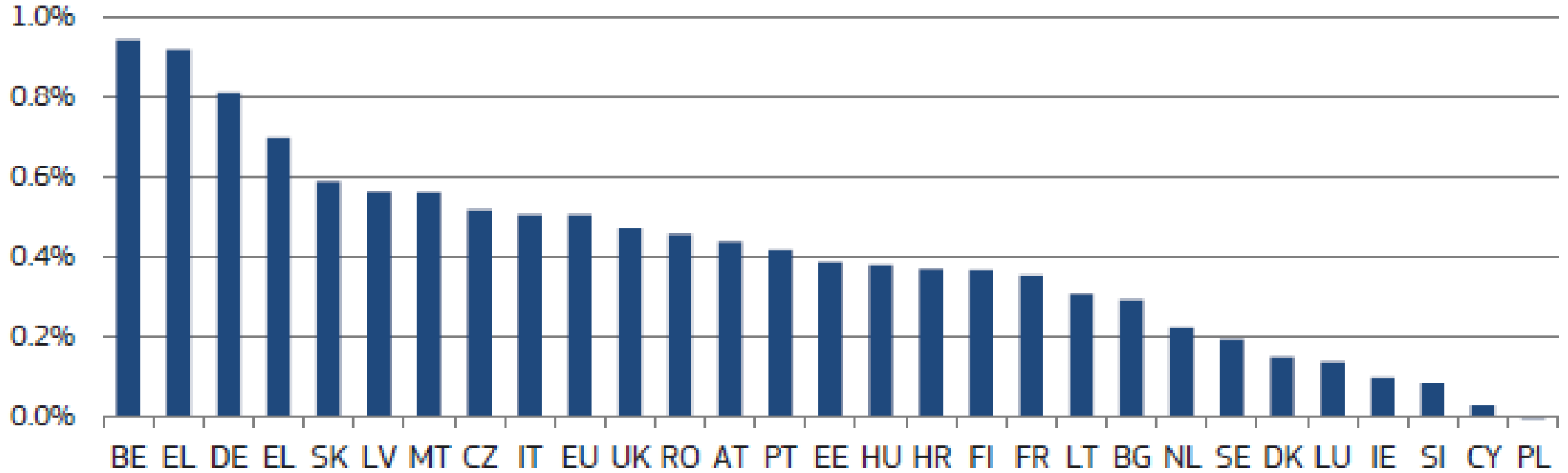


Jobimpact megatrends (EU,%)

Percent difference from the reference case, 2050	GDP		EMPLOYMENT		CO ₂ EMISSIONS	
	Low	High	Low	High	Low	High
Technological change	-8.0	-0.1	-23.2	-9.9	-5.9	-2.9
Globalisation	-0.1	2.2	0.0	0.7	-0.1	1.3
Demographic change	-10.0	10.6	-5.8	6.2	-4.2	4.0
Resource use	-0.3	0.6	0.1	0.1	-0.2	2.9
Low carbon transition		1.06		1.01		-74.1

Source CLG Europe, 2020

The net job impact will be positive



Source: Eurofound (2019)



And Belgium will see a larger job increase than most other member states

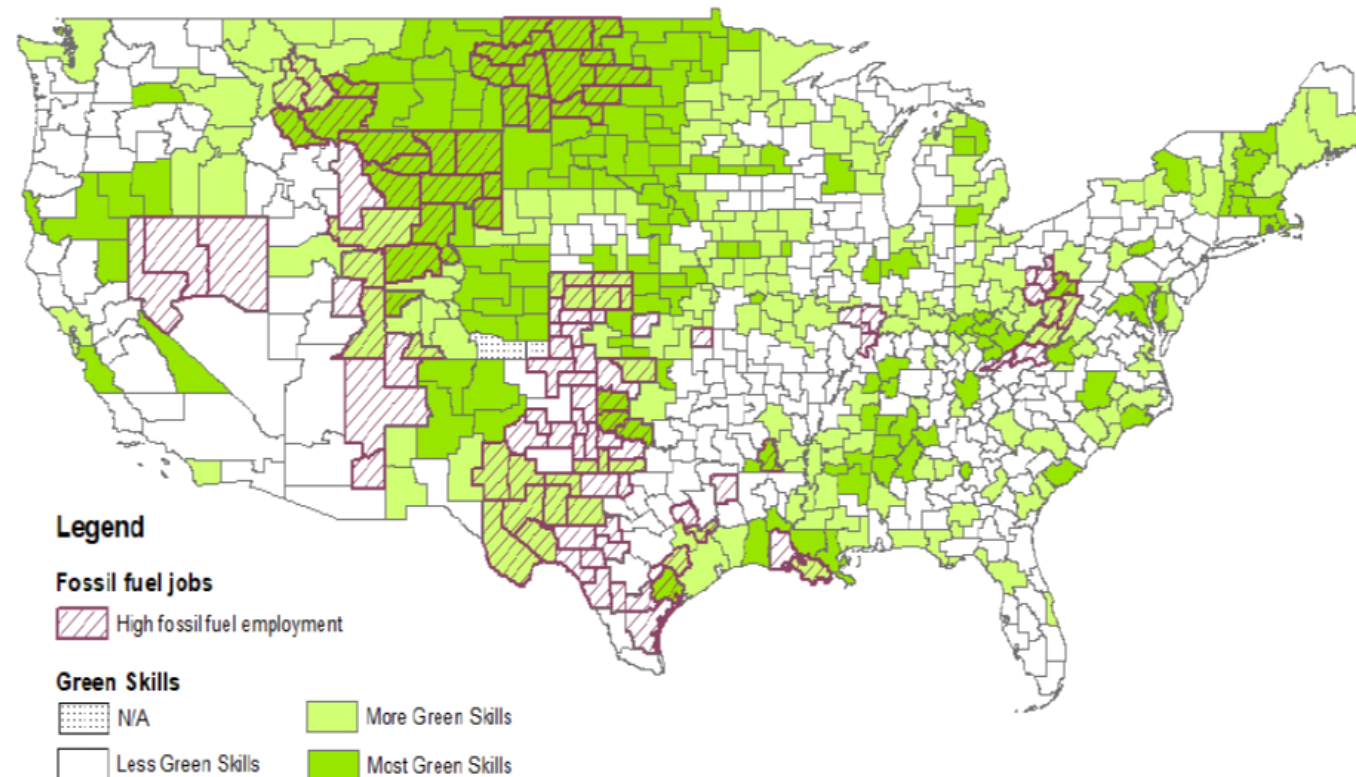
Positive overall, but unequal distribution

- Job creation, job destruction, and changes in existing jobs
 - Shifts between
 - sectors
 - countries and regions
 - occupations
 - Next to quantities, changes in skills requirements
- ➔ Reskilling will be key

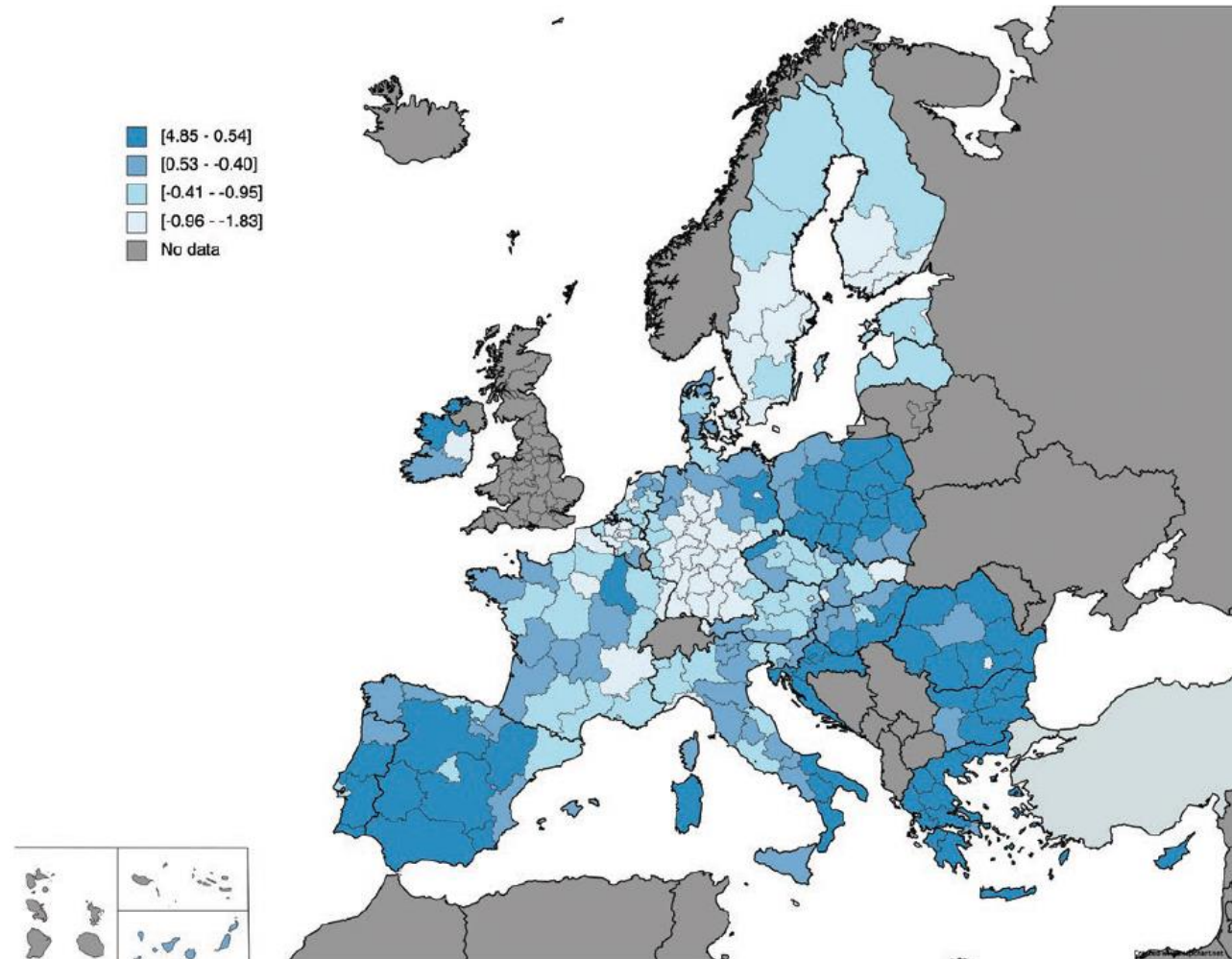


Transferability of skills: e.g. Vona (2021)

Spatial distribution of fossil fuel jobs and green skills



Regions with higher vulnerability



Source: Rodríguez-Pose and Bartalucci (2023)

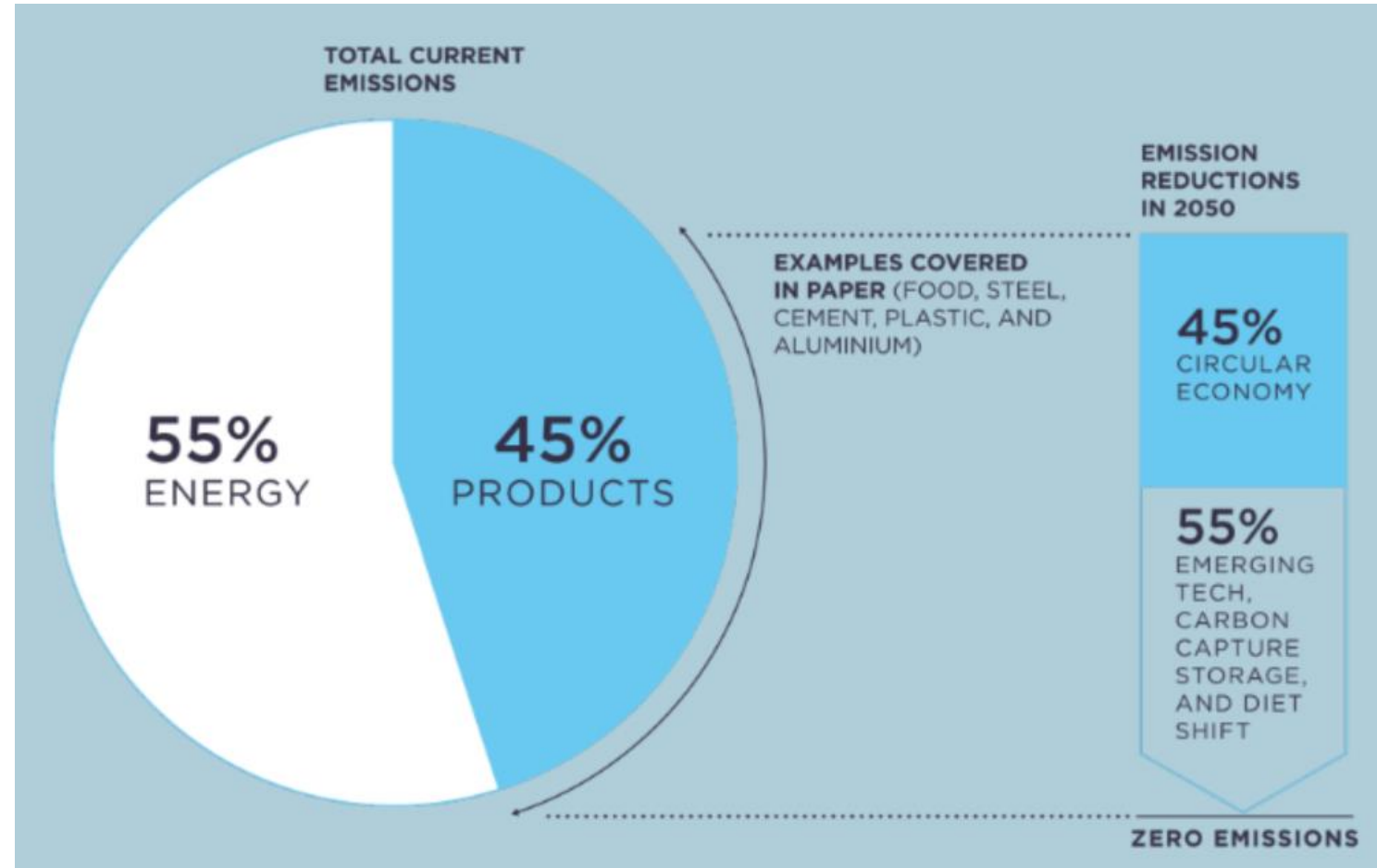
Skills requirements changes



- Demand for all skills levels will grow.
- Increased demand for (technical) middle-skilled labour may compensate losses of other middle-skilled labour caused by other megatrends
- Existing skills shortages may be deepened

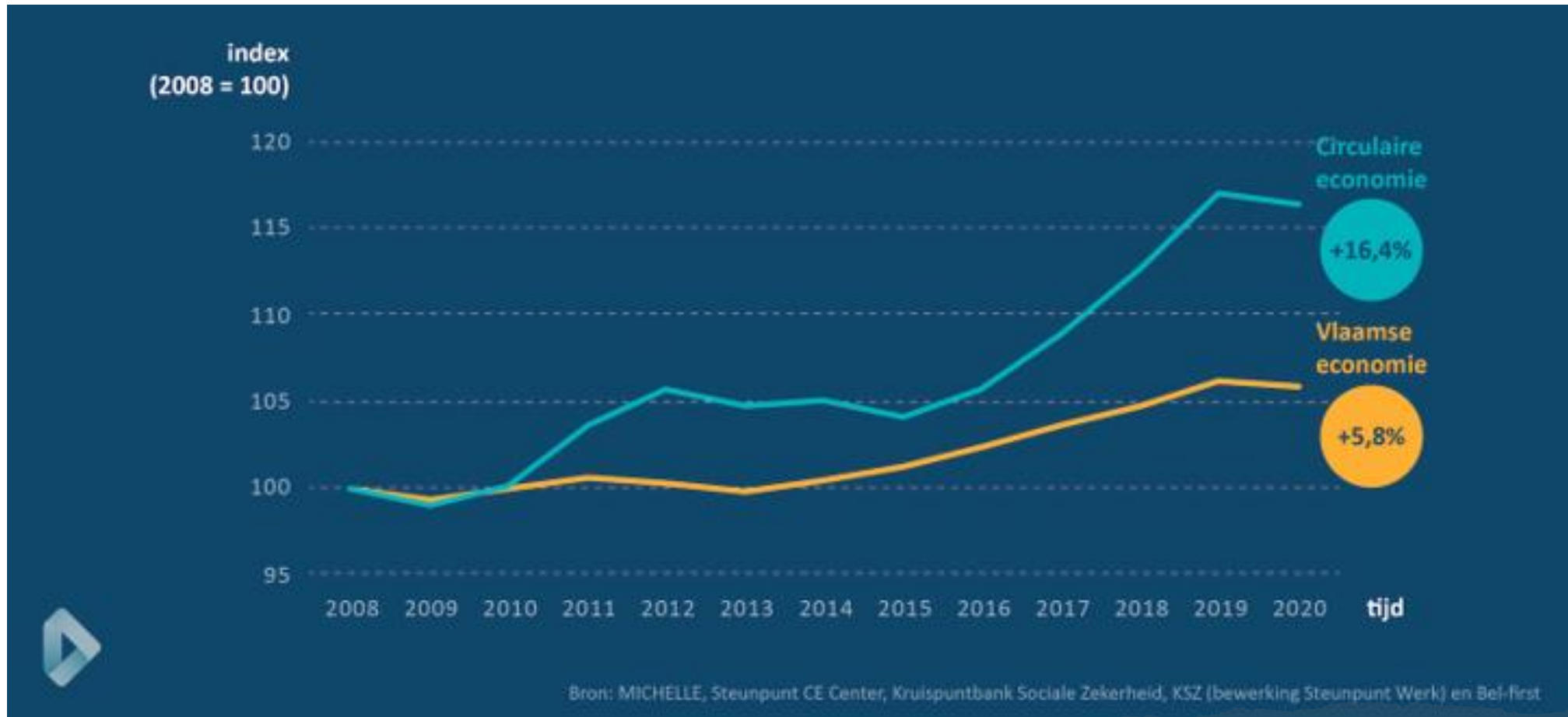
Case study: the circular economy

Strong link between
materials and
carbon emissions



Source: Ellen MacArthur
Foundation (2021)

Job growth in circular sectors in Flanders

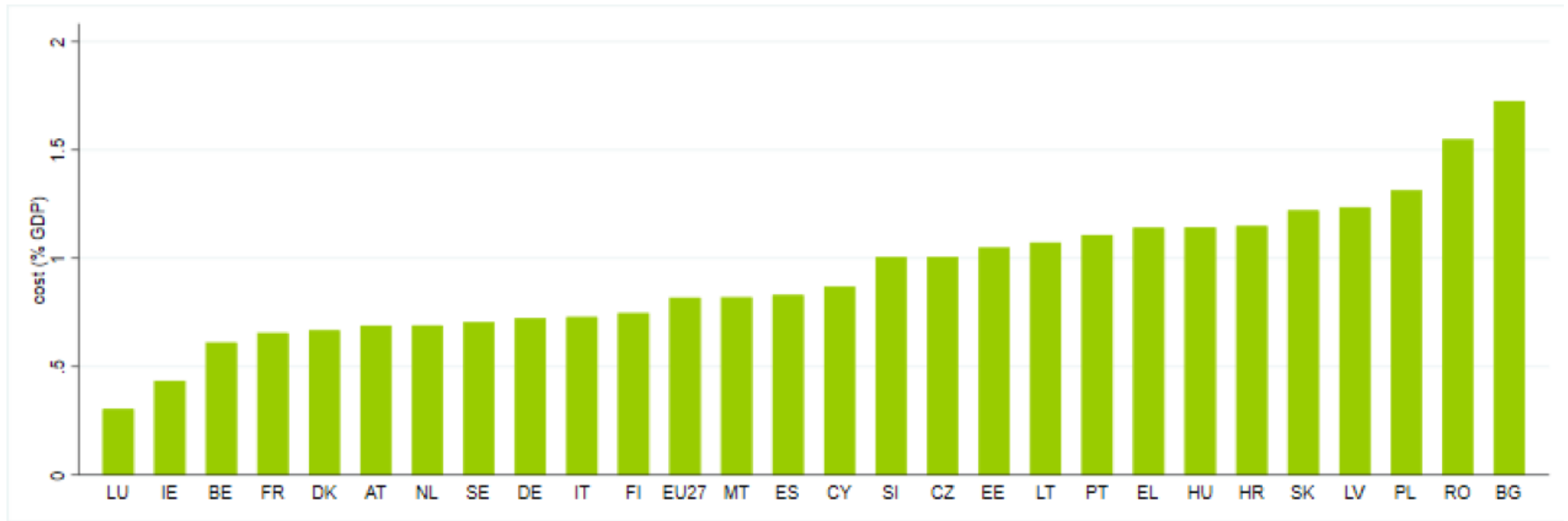


Changes

- Shifts
 - from material extraction to repair, refurbishment, reuse activities
 - From ownership to use
 - More tailored production
- ‘Core skills’ are only a small proportion of skills changes
- Upgrading of transversal skills (value chain thinking, cooperation)
- All occupations will change: CEOs, middle management, innovation expert, designer, sales and marketing experts, operators.

Strategies

Reskilling and upskilling



Source: Vandeplas et al. (2022)

Strategies (2)

- Reskilling, upskilling, and training
- Technical profiles: not limited to the green transitions
- Awareness, knowledge and attitude towards climate and circular economy
- Importance of social safety net
- Employer side:
 - flexibility in hiring strategies
 - More on-the-job training
- Employee side: stronger internalisation and institutionalisation of LLL

Conclusions

- The climate transition is not a threat to employment
- It is only one of several 'megatrends' impacting the labour market
- Training and reskilling is important, as is a social safety net

Fons Leroy (former head of the Flemish employment agency):

“The challenges of the labour market today? It’s not about jobs, jobs, jobs; it’s about skills, skills, skills!”

