

Job quality in a circular economy

A more circular economy could improve job security and satisfaction across Europe by providing thousands of high quality, long lasting jobs in remanufacturing, repair, servitisation, recycling and circular bioeconomy activities.

Green Alliance’s study of circular economy employment in four of Europe’s major manufacturing economies, Italy, Poland, Germany and the UK, has found that increasing circular economy activities could create 1,090,000 new direct jobs in these four countries by 2030. Because many of these jobs would address existing labour market imbalances, 330,000 would be taken by people who are currently unemployed.¹

This research note focuses on the quality of this employment. It uses UK evidence to show how circular economy jobs can provide higher satisfaction and be longer lasting than average jobs, helping to improve conditions for workers in economies where short term, unstable contracts are increasingly the norm.

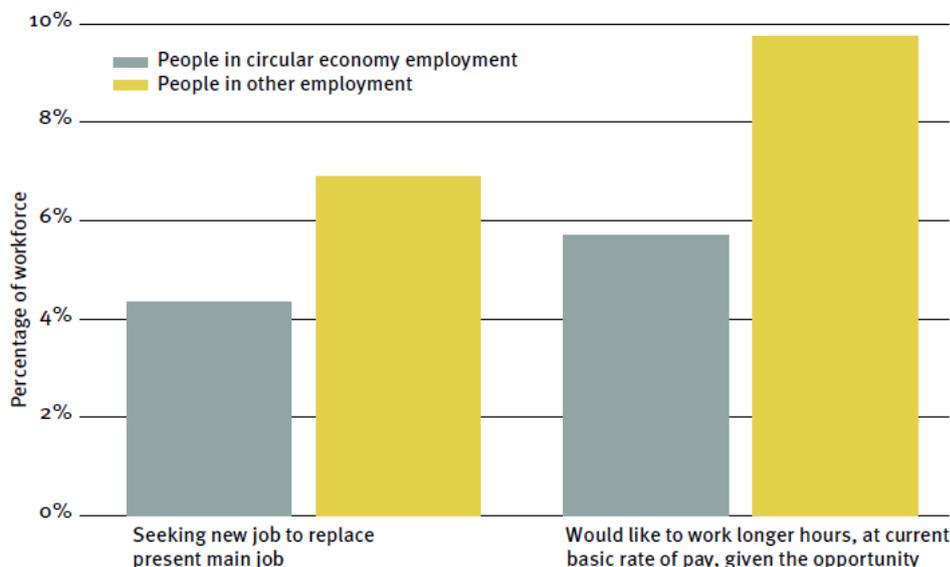
Circular economy jobs are good jobs

Evidence from the UK Labour Force Survey suggests that existing circular economy jobs are better quality than other UK jobs in three ways:

Adequate hours

Unemployment across Europe has fallen since the recent financial crisis, but many new jobs feature atypical working arrangements, such as zero hours contracts. This has led to a rise in underemployment, where workers are classed as employed but aren’t able to work as many hours as they would like.

Circular economy workers are less likely to be underemployed, with fewer than six per cent of people in circular industries suffering inadequate hours, compared to an average of nearly ten per cent across all other employees in the UK.²



Higher job satisfaction

As a proxy for job satisfaction we looked at whether employees are seeking a new job. UK data shows that just over four per cent of people in circular industries are seeking a new job, compared to seven per cent in other employment.³

Longer tenure

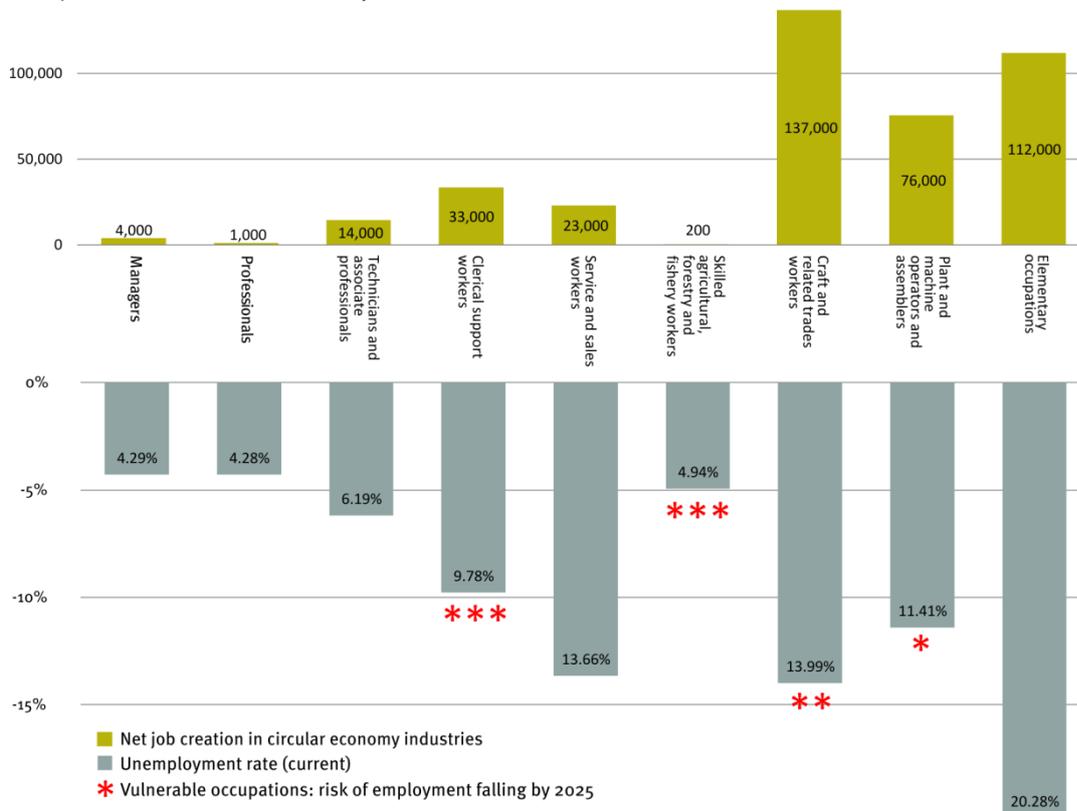
Circular economy jobs can provide more stable employment, especially in remanufacturing. Manufacturing jobs, which are comparable with remanufacturing, tend to have longer than average tenure. In the UK, 16 per cent of people with manufacturing jobs have been with the same employer for over 20 years, compared to the average of 13 per cent for other jobs.⁴

These findings are true irrespective of the gender or age of the employee.

Circular economy jobs last

By 2030, mid-skilled, mid-wage jobs are projected to decline due to growing mechanisation and offshoring. But around 90 per cent of circular economy jobs created in these vulnerable occupations will last at least a decade, offering good employment prospects for a group with an otherwise uncertain future.⁵

Net jobs are created in occupations at risk



Case study

Remanufacturing in Poland

Poland is particularly well placed to benefit from higher quality, longer lasting jobs in circular economy industries. It has twice the EU average proportion of workers on so-called 'junk' or temporary contracts.⁶

Circular economy jobs, particularly in remanufacturing, could provide more stable, better quality employment. Our study *Unemployment and the circular economy in Europe* shows that Poland has the conditions for a remanufacturing boom. 74,000 jobs could be created by increasing the remanufacturing rate in suitable industries to 20 per cent. This is below the rates already seen across Europe in industries as wide ranging as aerospace and photocopiers. Many of these remanufacturing jobs would be in skilled and semi-skilled trades, especially craft and related trades, which would suit Poland's labour market. It would also provide jobs in lower skilled occupations where they are currently needed: eg 6,000 jobs in elementary occupations, 95 per cent of which would be taking people out of unemployment, rather than displacing workers with existing jobs.⁷

Endnotes

¹ See: E Coats & D Benton, 2015, *Unemployment and the circular economy in Europe*, Green Alliance and J Morgan & P Mitchell, 2015, *Opportunities to tackle Britain's labour market challenges through growth in the circular economy*, Green Alliance/WRAP

² Green Alliance analysis of the Labour Force Survey, July-Sept 2014, available at www.nomisweb.co.uk

³ Green Alliance analysis of the Labour Force Survey, July-Sept 2014, available at www.nomisweb.co.uk

⁴ Green Alliance analysis of the Labour Force Survey, Oct-Dec 2015, available at www.nomisweb.co.uk

⁵ See E Coats & D Benton, 2015, op cit

⁶ www.reuters.com/article/2015/10/20/us-poland-election-economy-idUSKCN0SE1DD20151020

⁷ See E Coats & D Benton, 2015, op cit

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