

SUMMARY

JOBS & SKILLS IN THE CIRCULAR ECONOMY

State of Play and Future
Pathways



The *Circular Jobs Initiative* is working towards a positive transition to circularity for work and workers. The initiative is a knowledge centre that combines academic knowledge with practical piloting, working in collaboration with a network of stakeholders. Through the lens of the initiative's three core pillars—skilling, quality of jobs and inclusivity—*Jobs & Skills in the Circular Economy: State Of Play And Future Pathways* provides an overview of how current labour market issues apply to the circular economy transition, the opportunities that circularity presents for the labour market and the challenges that need to be overcome to achieve a future labour market that enables people and the planet to thrive.

With this work, we aim to mobilise stakeholders from industry, policy and civil society and encourage collaboration in overcoming the challenges presented by climate change and our current economic system.

www.circle-economy.com/circular-jobs-initiative

THE OPPORTUNITY

Consensus for an overhaul of our economic system is growing. Our world is facing immense challenges, including rising inequality, climate breakdown and diminishing resources. Increasingly, governments and businesses around the world are shaping their strategies to support investment towards specific circular economy agendas.

The circular economy presents opportunities for not only the economy and the environment, but it can also play a vital role in promoting societal wellbeing through new ways of working and relating to the world around us. It presents us with an opportunity to redefine work, rebalance power and reimagine the way we use and value resources—including labour.

The circular economy offers the next progressive step in our economic system, taking over from the current linear 'take-make-waste' model by seeking to extract the maximum value from resources in use and keeping materials in circulation for as long as possible through processes like reuse, repair, remanufacture and recycling.

The transition to the circular economy is expected to initially be labour intensive. This is because the reuse and recycling of materials require more hands and more complex processes, such as in reverse logistics and resource sorting, compared to direct disposal or incineration of unwanted products and materials. As well as increasing demand for resource management and repair, the transition calls for circular business models to be incorporated across every sector. At the same time, the transition should see declining employment in extractive industries, an increase in localised economies, and greater use of digital technology—all of which will create a need for different skills and ways of working.

When it comes to creating an ecologically safe and socially just operating space for humankind, we are all developing countries. Now is the time to translate the opportunities the circular economy presents into real benefits for workers and communities.



JOBS IN THE CIRCULAR ECONOMY

The circular labour market is comprised of all kinds of jobs in different sectors, ranging from manufacturing and creative industries to waste and resource management. Jobs in the circular economy, shortly 'circular jobs', are all jobs that contribute to one of the strategies of the DISRUPT framework.

- **Core circular jobs.** These jobs ensure that raw material cycles are closed and thus form the core of the circular economy. They include jobs in renewable energy, repair and waste and resource management sectors. Examples of core circular jobs are displayed in light blue in the framework on the right.
- **Enabling circular jobs.** These jobs enable the acceleration and upscaling of core circular activities and thus form the supporting shell of the circular economy. They include jobs in leasing, engineering and digital technology - albeit only those that actually contribute to circularity. Examples of enabling circular jobs are displayed in dark blue in the framework on the right.
- **Indirect circular jobs.** These jobs provide services to the primary circular activities above and thus form the activities that indirectly uphold the circular economy. They include, for example, jobs in education, logistics and the public sector. Examples of indirect circular jobs are displayed in grey in the framework on the right.



DESIGN FOR THE FUTURE

Adopt a systemic perspective during the design process, to employ the right materials for appropriate lifetime and extended future use.

Circular equipment engineers design products to enable parts and resource recovery after the product's use phase. They excel in complex problem solving on a technical level designs for the future.



INCORPORATE DIGITAL TECHNOLOGY

Track and optimise resource use and strengthen connections between supply-chain actors through digital, online platforms and technologies.

Building information managers maintain data on construction components so as to keep track of these physical assets. They understand how to integrate and interpret virtual information management systems.



SUSTAIN & PRESERVE WHAT'S ALREADY THERE

While resources are in-use, maintain, repair and upgrade them to maximise their lifetime and give them a second life through take back strategies when applicable.

Appliance technicians repair appliances, machines or vehicles. They possess strong technical and manual skills which can be acquired through a formal and informal education and training.



RETHINK THE BUSINESS MODEL

Consider opportunities to create greater value and align incentives through business models that build on the interaction between products and services.

Demand planners oversee supply and demand to make refurbishment a profitable business model. The role requires logical thinking and reasoning.



USE WASTE AS A RESOURCE

Utilise waste streams as a source of secondary resources and recover waste for reuse and recycling.

Process operators sort waste for sellable products, for example to produce livestock feed made from waste flows. Although classed as practical-skill work, knowledge of the quality of incoming raw material is crucial.



PRIORITISE REGENERATIVE RESOURCES

Ensure renewable, reusable, non-toxic resources are utilised as materials and energy in an efficient way.

Agronomic advisors support healthy soil nourishment with organic fertiliser from composted manure and crop remnants. They combine strong interpersonal skills with ecological knowledge.



TEAM UP TO CREATE JOINT VALUE

Work together throughout the supply chain, internally within the organisation and with the public sector to increase transparency and create shared value.

Procurement professionals stimulate the demand for secondary materials and discern and connect new suppliers in order to do so. This profile points to the need for entrepreneurial, interpersonal skills.

INDIRECT CIRCULAR JOBS

These jobs provide services to the primary circular activities above and thus form the activities that indirectly uphold the circular economy.

The **courier** brings packages to and from consumers as part of a reverse logistics scheme that enable new business models.

The **teacher** transfers knowledge and skills to the (future) workforce so as to equip workers with the skills for all circular economy strategies.

THREE PILLARS OF THE CIRCULAR LABOUR MARKET

If managed well, the transition to the circular economy will have multiple benefits for the labour market. The ideal scenario would include the opening up of job opportunities, raised job standards and reduced inequalities through a global redistribution of value. However, there is a risk that it could also lead to job insecurity and skill gaps if businesses and governments are unprepared. A positive transition to circularity for work and workers must be underpinned by three core pillars:

- **Skilling and re-skilling of the workforce** through the integration of circularity into education and training programmes and support from government to enable access to these programmes for everyone.
- **Good quality jobs that are fairly paid, secure and carry social value**, supported by governments, market mechanisms, strong trade unions and labour standards that are championed and upheld by business and through regulation.
- **An inclusive labour market that provides opportunities** for people in precarious work, that are distant from or at risk of being phased out of the labour market, as well as workers across skill levels, regardless of their location.

These core pillars form the three focus areas for the *Circular Jobs Initiative*. In the full report, *Jobs & Skills in the Circular Economy: State Of Play And Future Pathways*, we lay out how current labour market issues apply to the circular economy transition and the ideal scenario we are working towards, in relation to each of these core pillars.

HOW CAN WE ACHIEVE THIS CHANGE?

Below we provide a summary of the changes needed to achieve a fully fledged and social circular economy and ensure a positive transition to circularity for work and workers. With this, we lay out the change we are seeking to achieve over the short to medium-term, both as Circle Economy and in collaboration with our partners.

SKILLS TO POWER THE CIRCULAR ECONOMY

1. **Bolster understanding of the skills needs of the circular economy.** To do this, we need to create a common language, definitions, metrics and standards for skills in the circular economy. This will help to inform the development of tools for mapping skills needs across sectors and regions, which can be used to understand the impact of transition pathways on skills demand and labour distribution.
2. **Create a policy environment that promotes circular business and skills.** National and regional policies for reskilling workers and job seekers need to be designed. Connections between trade unions, business and public authorities need to be strengthened to ensure workers' voices are heard in the design of skills policies and training.
3. **Open up opportunities for continuous learning and development**, including through the translation of cutting-edge research into practical and affordable education and training programmes, and more structural support and recognition for life-long and informal learning.

QUALITY OF JOBS IN THE CIRCULAR ECONOMY

1. **Develop frameworks for quality of work in the circular economy**, through use of a sociological perspective on employment that will both represent and enable workers' experiences be structured and systematised in frameworks. This will improve our understanding of who will be most affected by the transition, where and why, and therefore inform us on what standards are needed to safeguard the quality of circular jobs.
2. **Strengthen the legal basis and social dialogue in sectors that will be affected by circular economy policies.** Typically less regulated sectors, such as resource management, and emerging sectors, like the platform economy, need to be prioritised in negotiations. This will improve compliance with labour standards, collective bargaining and representation of workers, such as informal workers.
3. **Promote the social value of jobs in the circular economy** by improving the image of sectors that play a role in the circular economy and educating employers on how to spread understanding of the value and systemic importance of jobs at all levels to the circular economy. Together with fair pay and working conditions, this should help to increase the job satisfaction of workers in the circular economy.

INCLUSIVE JOBS IN THE CIRCULAR ECONOMY

1. **Ensure and monitor a just transition for workers across local and global supply chains.** To do this, we need a global picture of how different countries and sectors are approaching circularity and the ripple effects of these changes. In-depth analysis of how different markets will be affected by transition pathways is needed to manage the potentially positive, as well as hidden and adverse, consequences of circularity for workers in different sectors and markets.
2. **Create pathways for people who face barriers entering the labour market.** Elevate the rights of marginalised and undocumented workers in circular economy debates in Europe and globally. Collaborations between public services, private businesses and social enterprises will help to respond to labour shortages and link people out of work to decent circular jobs.
3. **Secure the business case for circular social enterprises.** Municipalities will be key to encouraging partnerships between the social economy and sectors where there will be a high demand for labour, particularly in earlier stages of the transition. Companies also need to be incentivised to design products for multiple lifecycles and have a stronger business model so that they can place supporting their workers at the centre.

OUR ROLE IN ACHIEVING THIS CHANGE

We are committed to promoting this mission and working with employers, workers, local, regional and national governments, multilateral organisations, education institutions and research organisations to shape this future.

The *Circular Jobs Initiative* has four key roles:



As a **convener**, we team up with our Advisory Board and community to ensure that labour issues are at the forefront of regional, national and global debates on the circular economy. We build alliances and counter fragmentation of knowledge and efforts in the space of employment in the circular economy.



As a **catalyst**, we develop compelling, evidence-based strategies to drive business and policy-level commitments to workers, and publish these on our Circular Jobs Monitor. We consistently document evolutions in the circular labour market, supporting the application of sound labour strategies in business and policy.



As a **knowledge partner**, we promote the development of shared understanding and frameworks of employment in the circular economy, addressing knowledge gaps and making these insights available to all online. We strive to objectively gather knowledge from different disciplines and facilitate knowledge exchange across sectors.



As a **translator**, we advance the development and replication of best practices in business and education. We translate findings from existing and emerging research on the circular economy into practical pilots, education programmes and human resource management strategies.

Read the full report to find out more about the opportunities the circular economy presents the labour market, the challenges that need to be overcome and the role the *Circular Jobs Initiative* will play in helping to achieve this change.

JOIN THE CIRCULAR JOBS INITIATIVE

Share this summary and [the report](#) to raise awareness of the circular economy, its implications on the labour market and the need to safeguard the rights of workers during the transition to circularity.

Join the [Circular Jobs Initiative](#) and contribute to a circular labour market that benefits all workers.

Help to expand the [Circular Jobs Monitor](#), a new framework for understanding employment in the circular economy per territory, which is helping to grow the evidence base for a social circular economy.