

How to create decent & fair circular jobs in the EU? – key points

On 5th December 2023, the [Taskforce for climate neutral and circular materials & products](#), convened by the [University of Cambridge Institute for Sustainability Leadership \(CISL\)](#), released a policy report titled "[Inclusive Circularity: Creating Decent and Fair Jobs in the EU](#)". This report delves into the employment dimensions of transitioning to a circular economy. It explores the necessary job types for facilitating this transition, identifies research gaps, analyses the intersection between circularity and employment in EU policies, showcases business best practices, and provides policy recommendations for fostering a socially equitable circular economy, with a specific focus on jobs and employment.

Building on this report, a roundtable discussion took place on 29th January 2024, in Brussels and online. The event aimed to further explore how the transition to a circular economy impacts employment within the EU and beyond, and to identify priority actions for policymakers. The roundtable brought together approximately 30 stakeholders, including policymakers, civil society representatives, and experts, and was held under the Chatham House Rule.

Report overview

- **Disproportionate impact:** The transition to Circular Economy (CE) is anticipated to affect various demographic groups disparately. The groups at the greatest risk of adverse ramifications include SME workers, low-skilled workers, informal workers, and marginalized populations like people with disabilities and the Roma community.
- **Social Blind Spots:** Despite the growing emphasis on sustainability and CE, the social dimension remains a blind spot in many discussions. Failure to address social aspects adequately could jeopardize the EU's objectives regarding social rights. Therefore, there is an urgent need for policies carefully crafted to ensure a fair and equitable transition.
- **Policy Coherence:** A significant challenge highlighted during the discussion was the lack of clarity on ensuring coherence among policies aimed at facilitating the transition to CE.

Comments on the report

- **Differentiation in job types:** Participants appreciated the effort to distinguish between different types of jobs within the context of CE, emphasizing the importance of accurately modeling the labor market to address specific needs.
- **Expanding CE narrative:** There is a consensus that the narrative surrounding CE needs to evolve beyond traditional definitions. This broader narrative should encompass various aspects, including ecodesign, electronics, textiles, and sustainable claims, ensuring CE is not limited to recycling and waste management.
- **Long-term planning:** The importance of long-term planning was emphasized, particularly in anticipating the short-term implications of transitioning to CE while considering its far-reaching effects on various sectors and industries.
- **Broad impact:** Beyond material reuse and recycling, CE has implications for various industries, including critical raw material policies. The discussion underscored the need to integrate CE principles into broader economic strategies.

- **The importance of design:** Participants stressed the need to consider the entire lifecycle of products. Attention was drawn to design aspects and the challenge of addressing issues like mixed fibers in manufacturing.
- **Case studies:** Examples from Portugal highlighted ongoing efforts to integrate CE principles into different sectors, such as renewable energy. These efforts include financing, training, and cultural adaptation to foster a sustainable transition.

Discussion points on future of circular jobs in the EU:

- **Mainstreaming implementation:** Efforts are underway to mainstream circular and social economy practices at national and regional levels. The focus has shifted from waste management to product design and ecodesign, reflecting a broader approach to CE.
- **Policy instruments:** New policy instruments, such as the Digital Product Passport (DPP) and taxonomy on CE, aim to trace activities across the economy and facilitate alignment across sectors. Taxonomy, in particular, offers opportunities for preferential tax treatment and financing.
- **Quantifying circular jobs:** Challenges persist in quantifying circular jobs and understanding their qualitative impact. Efforts are ongoing to integrate social and labor impacts into monitoring frameworks to better assess the overall impact of CE.
- **Addressing informality:** The importance of addressing informality in the workforce was acknowledged, with discussions on integrating social indicators into impact assessments to ensure a fair transition.
- **Support for SMEs:** Initiatives to support SMEs in complying with standards and regulations were discussed, with proposals for knowledge tools to facilitate compliance and minimize disruption.
- **Importance of social economy:** Social economy entities were recognized as key stakeholders in the CE transition, providing opportunities for inclusive growth and job creation.
- **Concerns and Challenges:** Concerns were raised about legislative predictability for SMEs, skills shortages, logistics challenges, and intellectual property protection in CE.

Other remarks

- **Ongoing discussions:** There are ongoing discussions regarding the implementation of the DPP and the development of tools to support policymakers and businesses in navigating the challenges and opportunities of transitioning to CE effectively.
- **Need for tools:** It was acknowledged that policymakers and businesses currently lack comprehensive tools to address the multifaceted challenges of transitioning to CE. There's a growing recognition of the importance of developing such tools to facilitate a smooth transition and ensure the creation of decent and fair circular jobs in the EU.