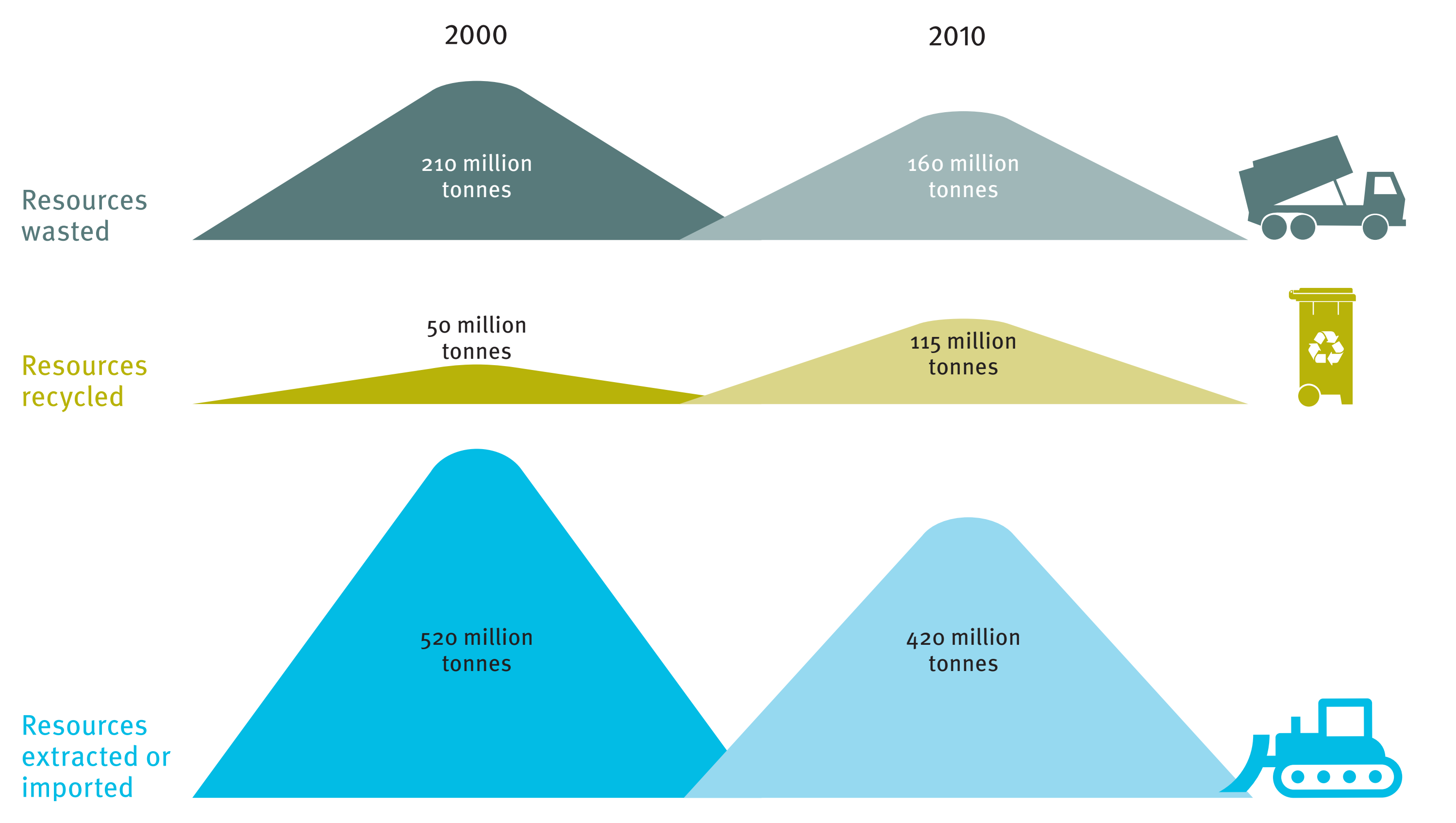
Employment and the circular economy
Infographic

Britain faces huge economic challenges in its use of labour and scarce natural resources. Although unemployment is now falling, the risk of being out of work is higher in some regions and for some types of occupations. And supply risks in an increasingly competitive global economy mean we must get better at using natural resources. Our analysis shows that these challenges are linked, as improving Britain's resource efficiency could also significantly benefit the labour market.

Developing a circular economy involves a major industrial transition. In the past, industrial developments have often involved using less labour, creating high unemployment in some regions or for some categories of workers. By contrast, the growth of the circular economy should involve using resources more efficiently, but with more labour. And, significantly, this growth in employment is likely to be experienced right across the country, concentrated among occupational groups where unemployment is high, such as the low skilled, or in skilled occupations where large numbers of jobs are projected to be lost in the future.

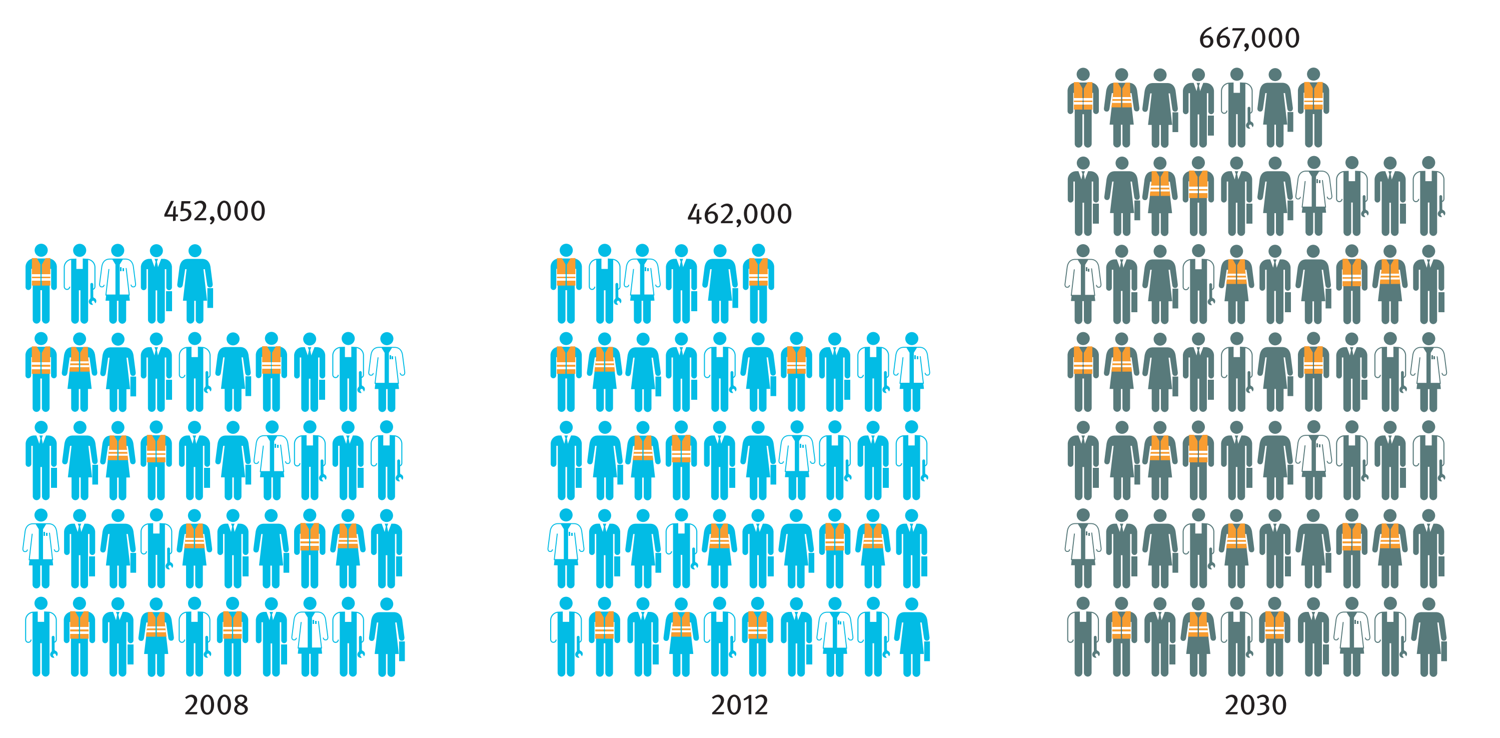
Our illustrative calculations suggest that, if the current trend towards greater resource efficiency continues, the growth of the circular economy could reduce unemployment by about 54,000 and offset around seven per cent of the expected decline in skilled employment. Even more extensive development of the circular economy has the potential to reduce unemployment by around 102,000 and offset nearly a fifth of the expected loss in skilled employment.

The UK is becoming more efficient at using resources[1]...



...if this continues, employment in the circular economy should keep growing[2]

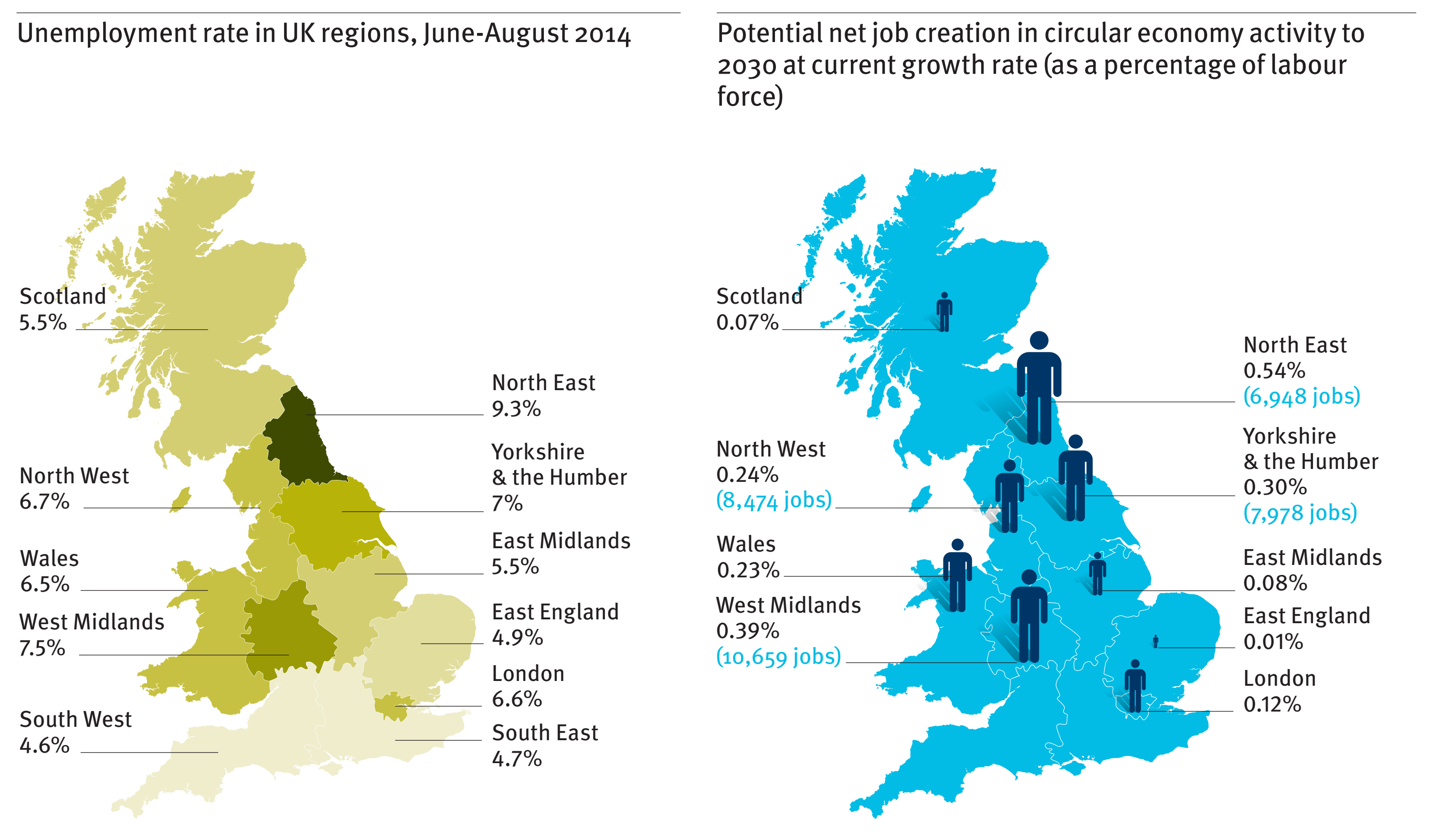
Actual employment in circular economy activity in 2008 and 2012, and potential employment to 2030, based on the current path of development



It can also create additional jobs where unemployment is higher[3]

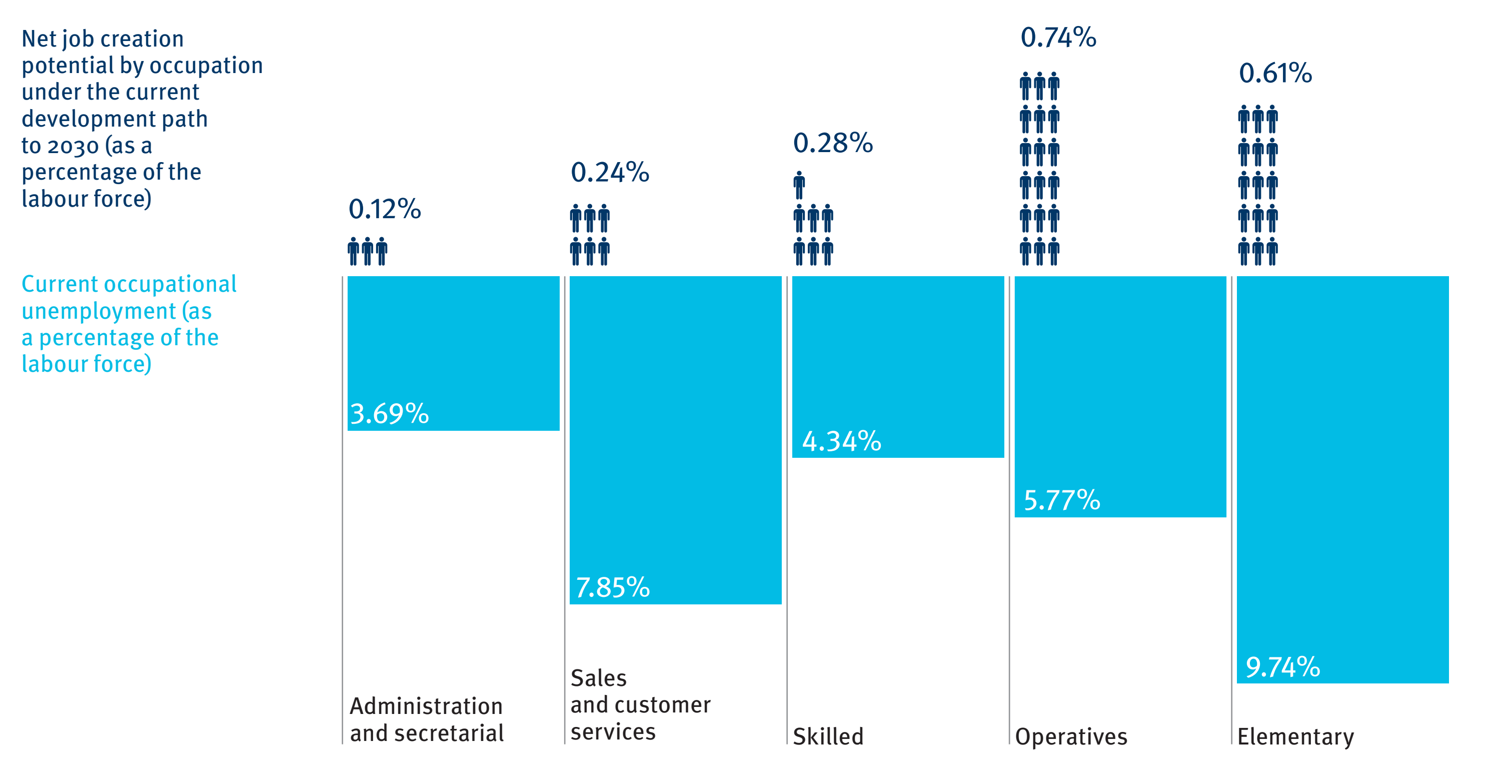
Unemployment rate in UK regions, June-August 2014

Potential net job creation in circular economy activity to 2030 at current growth rate (as a percentage of labour force)

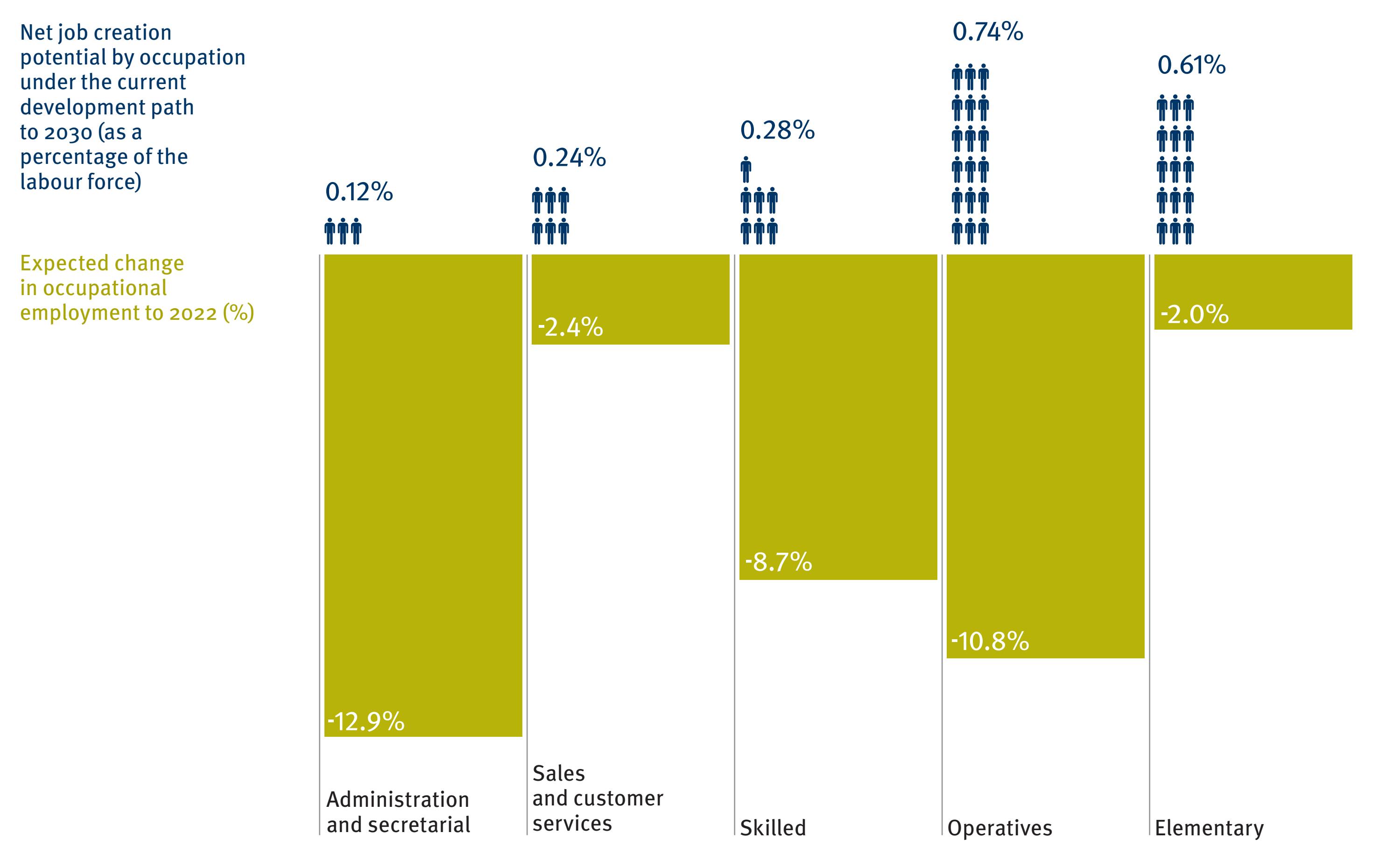

Scotland
5.5%
North East
9.3%
North West
6.7%
Yorkshire
& the Humber
7%
East Midlands
5.5%
Wales
6.5%
West Midlands
7.5%
East England
4.9%
London
6.6%
South West
4.6%
South East
4.7%
Scotland
0.07%
North East
0.54%
(6,948 jobs)
North West
0.24%
(8,474 jobs)
Yorkshire
& the Humber
0.30%
(7,978 jobs)
Wales
0.23%
East Midlands
0.08%
West Midlands
0.39%
(10,659 jobs)
East England
0.01%
London
0.12%

Different circular economy activities offer different skill opportunities[4]

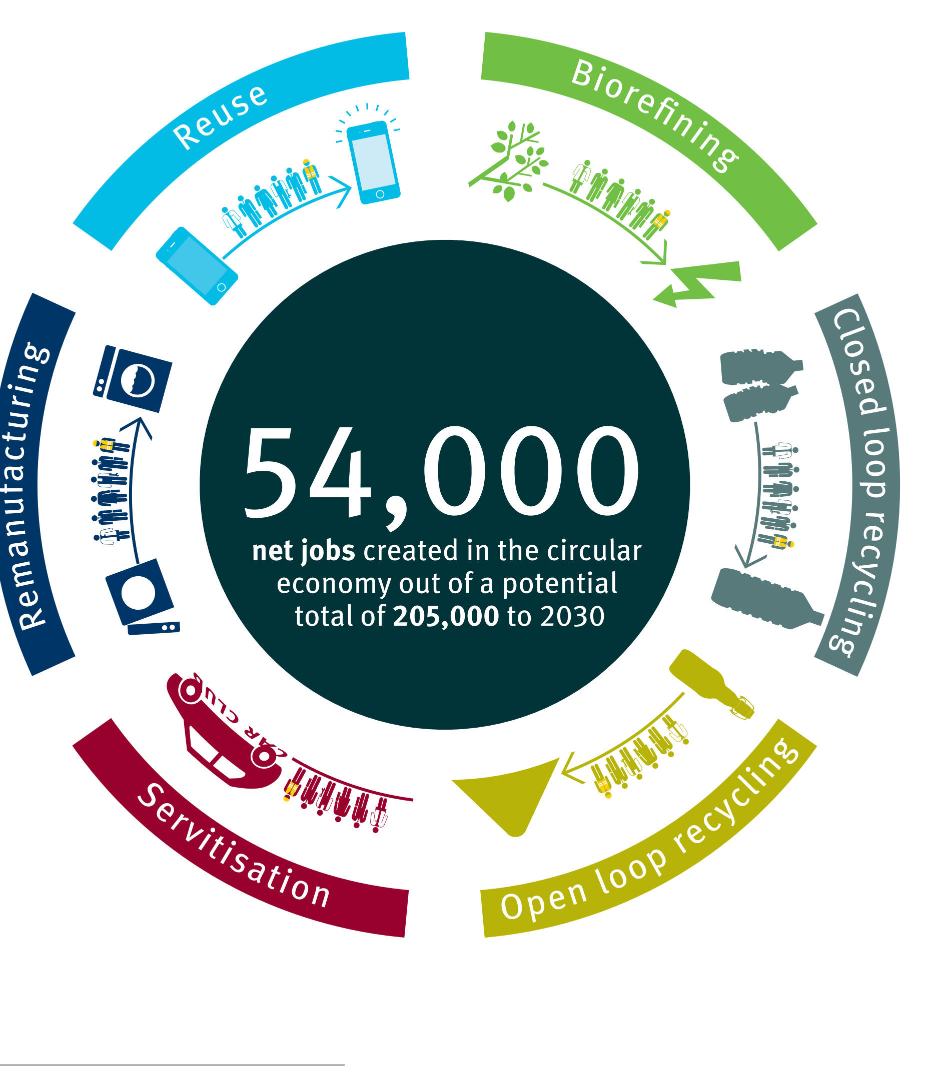
...and there is the potential to create proportionally more jobs in occupations with high unemployment[5]


Net job creation potential by occupation under the current development path to 2030 (as a percentage of the labour force)
Current occupational unemployment (as a percentage of the labour force)
0.12%
3.69%
Administration and secretarial
0.24%
7.85%
Sales and customer services
0.28%
4.34%
Skilled
0.74%
5.77%
Operatives
0.61%
9.74%
Elementary

...and also help to address the projected decline in low skilled and mid level occupations[6]


Net job creation potential by occupation under the current development path to 2030 (as a percentage of the labour force)
Expected change in occupational employment to 2022 (%)
0.12%
-12.9%
Administration and secretarial
0.24%
-2.4%
Sales and customer services
0.28%
-8.7%
Skilled
0.74%
-10.8%
Operatives
0.61%
-2.0%
Elementary

Because it helps tackle regional and occupational unemployment, over a quarter of new jobs in Britain's circular economy to 2030 could be net jobs[7]



Data sources

1 Note: 'Resources wasted' covers all materials going to any waste disposal route. Some of the materials flowing into the economy are consumed directly, for example food and drink, or are dissipative outputs to land and air, while others are absorbed into fixed assets and infrastructure and are available for future recovery. Resources extracted or imported include biomass, metals, minerals and products. Source: ONS and WRAP calculations

2 Historical data: ONS *Business register and employment survey* (BRES), for details of the compilation of these figures see J Morgan and P Mitchell, 2015, *Opportunities to tackle Britain's labour market challenges through growth in the circular economy*, Green Alliance/WRAP; future scenario for the circular economy: Green Alliance and WRAP calculations, see J Morgan and P Mitchell, 2015, op cit

3 Historical data: ONS, *Labour force survey*, October 2014; future net jobs scenario for the circular economy, Green Alliance and WRAP calculations, see J Morgan and P Mitchell, 2015, op cit

4 Green Alliance and WRAP, see J Morgan and P Mitchell, 2015, op cit

5 Uses Standard Occupational Classification (2010). Historical data: ONS, *Labour force survey*, October 2014; future net jobs scenario for the circular economy, Green Alliance and WRAP calculations, see J Morgan and P Mitchell, 2015, op cit

6 Expected decline in occupational employment to 2022: UKCES, March 2014, *Working futures, evidence report 83*, UK Commission for Employment and Skills; future net jobs scenario for the circular economy, Green Alliance and WRAP calculations, see J Morgan and P Mitchell, 2015, op cit

7 Green Alliance and WRAP, see J Morgan and P Mitchell, 2015, op cit

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