**The Labour Market going Green: Why is it important?**

‘The Net- Zero transition will include a major reallocation of jobs across certain industries occupations and regions…*.* This transition will have a greater impact on rural areas than on urban, ’ *OECD* .. *– Employment Outlook 2024: The Net Zero Transition and the Labour Market.(* The **Organisation for Economic Co-operation and Development** (**OECD**)  is an intergovernmental organisation with 38 member countries, founded in 1961 to stimulate economic progress and world trade.)

This is already being seen in the Labour Market data in Cambridgeshire, especially in the Fens and East Cambridgeshire. ‘We are in a time of unprecedented changes, driven by technological advancements, shifting market demands, and the ongoing impacts of global events. The rapid pace of this demands that we stay proactive, anticipating future skill needs and working together to ensure action is promptly taken’ *Cambridgeshire and Peterborough Local Skills Improvement Plan June 2024*

Green jobs are jobs that contribute to preserving or restoring the environment, support the achievement of the UK's net zero emissions target, and help to mitigate climate risks. They can be in traditional sectors such as Manufacturing and Construction, or in new,

vehicles. However, every job has the potential to become ‘green’ as the world moves to combat climate change. Green jobs can therefore also be distinguished by their contribution to more environmentally friendly processes.

Organisations across a range of sectors have many reasons to ‘go green’, including external. pushes from Government or industry bodies and internal pushes, from stakeholders, employees and customers, and opportunities to achieve improvements in efficiency and operational excellence.

The OECD suggest ensuring a ‘Fair’ green transition by raising awareness of potential new jobs and related skills to the working age population and those in Education – raising aware of the potential opportunities and changes that will be seen in the next 10 to 50 years.

Let’s focus on Green driven occupations:

* In existing occupations, the skill set is being altered due to the Green Transition. Existing process are and will continue to be redefined as day-to-day tasks and work methods become greener: from hairdressers to minimising water wastage, considering the environmental implications of the products they use, changing their heating to air source heat pumps, to Zero Carbon factories built using sustainable products, powered using renewable energy, and manufacturing process designed to remove or reuse all waste products.
* In **existing green jobs,** the demand will increase, as the transition to net Zero picks up speed. People who seek out skills specific to these roles will have the edge in the labour market: environmental scientists, construction workers, wind turbine technicians, ground source heat pump and air source heat pump technicians, biogas engineers, solar panel installers, carbon analysists, to name a few.
* **New emerging Green jobs and technologies** – what will they be in 10, 20, 30 years? – no one really has the answer to that but digital technology, renewable energy, agriculture, manufacturing, transportation, construction, all sectors will continue to evolve in response to Climate change.

Climate change will impact on working conditions due to extremes of weather – heat and extreme rainfall. Heat will have negative impacts on productivity, causing fatigue, and confusion. Whilst extreme rainfall will probably lead to flooding. Those in outdoor occupations, such as farmers, construction workers, and industry and manufacturing will be impacted, leading to adaptation and changes to working patterns, design of buildings, etc.

**Let’s take a closer look at the local area:**

One-third of people working in Cambridge and Peterborough are employed in occupations affected by transition to the green economy.

* **Green Increased Demand occupations** – such as Programmers and Software Development Professionals, Biological Scientists & Biochemists, and Electricians & Electrical Fitters – which will be in higher demand due to greening but experience no significant change in worker requirements.

**Cambridge, East Cambridgeshire, Fenland and Peterborough have high rates of people employed in these occupations and could therefore experience the strongest employment growth due to greening if sufficient labour and skills are available to meet increased demand.**

* Huntingdonshire and South Cambridgeshire have the highest rates of people employed in both **‘green enhanced skills’** and ‘**green new and emerging’** occupations.

Construction has the highest share of people working in occupations affected by greening, at 70% of all workers, followed by Professional, Scientific and Technical Activities (which includes Engineering & Scientific R&D), Manufacturing, Transport, ‘Other Sectors’ (e.g., Mining & Quarrying and Electricity & Gas) and Agriculture.

Job postings requesting specialist green skills have more than double since 2019

Across the labour market – not just occupations considered to be most affected by greening – the number of job postings requesting green skills has increased sharply over the past three years and 2023 the number of job postings was more than double the level five years ago.

Waste management has been by far the most requested green skill**…**followed by Water Treatment, Wastewater, Ecology, Environment Health & Safety, Electric Vehicles and Renewable Energy.

Engineering occupations feature strongly within the occupations most likely to require green skills. These include Engineering Professionals Not Elsewhere Classified, Engineering Technicians, Mechanical Engineers, Production & Process Engineers, Civil Engineers and Electrical Engineers. Likewise, the top industry requesting green skills has been Professional, Scientific and Technical Activities, which includes Engineering Activities and Scientific R&D.

Demand from employers for green skills has increased sharply since 2020 and, in 2024 one in six people in Cambridgeshire work in occupations likely to be in increased demand due to greening while one in seven work in occupational groups that could see significant changes to worker requirements or where entirely new or renewed roles could be created.

‘In the year to September 2023, rates of employment in occupations affected by greening ranged from 34.5% in East Cambridgeshire to 28.9% in Peterborough.

Cambridge, East Cambridge, Fenland and Peterborough, had high rates of people employed in ‘green increased demand’ occupations and could therefore experience the strongest employment growth due to greening if sufficient labour and skills are available to meet this demand. Huntingdonshire and South Cambridgeshire had the highest rates of people employed in both ‘green enhanced skills’ and ‘green new and emerging’ occupations and are therefore likely to require the most support to upskill their workforces to meet the requirements of a green economy.’ *Cambridgeshire and Peterborough Local Skills Improvement Plan June 2024*

So, what does the future labour market look like in Cambridgeshire?

The future labour market in Cambridgeshire by 2035 is expected to undergo significant changes, driven by technological advancements, demographic shifts and evolving the evolving demands of climate change.

1. Job Growth: The overall number of jobs is projected to increase with sectors such as healthcare, technology and green energy leading the way. The growth is expected to be driven by the increasing importance of sustainability.
2. Skills Demand: There will be a higher demand for advanced digital skills as well as critical thinking, problem solving, adaptability and resilience. The rise of automation and artificial intelligence will require new skills.
3. Sectoral shifts: traditional industries may see a decline, while sectors like information technology, renewable energy and healthcare are expected to expand. This shift will require workers to adapt to new roles and industries.
4. Gender Dynamics: More women are expected to enter the workforce particularly in high- growth sectors.
5. Employment types: There will likely be a rise in flexible working arrangements.

These projections highlight the importance of continuous learning and adaptability in the future labour market.

**Keep up to date with labour market information**

PWC – Green Jobs Barometer ([Green Jobs Barometer - PwC UK](https://www.pwc.co.uk/who-we-are/our-purpose/building-trust-in-the-climate-transition/supporting-a-fair-transition/green-jobs-barometer.html))

The Green Jobs Barometer measures the relative performance of UK's regions, nations and industry sectors on their progress developing green jobs over time. In its third year, the Barometer aims to support a fair transition to net zero emissions by building an evidence base of the impact on jobs and communities across the country.

The Barometer gives an overview and can be filtered to provide region and sector specific data based on 5 criteria:

* Green jobs creation – this is where we expect to first see changes in the labour market. Expect the number to increase over time as the transition to a sustainable economy gathers pace. However, there will be waves of different green job creation across sectors (and regions) over time.
* Wider benefits from Green Jobs - where direct green jobs are creating additional employment providing economic growth.
* Carbon intensity of employment – uses Carbon emissions per employee which gives us an indication of how environmentally-friendly jobs are, as well as an indirect indication of jobs that could lose out as the green transition accelerates.
* Green workplace - how existing jobs are changing. There will be accelerated change in carbon-intensive sectors, with diminishing returns for low-carbon sectors and regions.
* Sunset jobs to disappear - those jobs that will become redundant following the transition to a green economy. This is vital to focus on the correct upskilling and focus on social mobility.