

MIDLANDS ENGINE OBSERVATORY ACADEMIC INSIGHTS

A 'Just Transition' towards 'Green jobs'



Theme:

The transition to a net zero economy will have a substantial impact on future employment and economic resilience, which will vary by sector and place.

Area of Focus:

Looking at how a just transition to green jobs will be key to ensuring the long-term resilience of local economies against the impact of a move to net zero.

Key Findings:

- Currently, there is a lack of consensus around what a 'green job' actually is, there is no official definition provided by government or metric by which to measure it. Creating a challenge for the monitoring and evaluation of the performance of green job support interventions in the years to come.
- High-risk businesses need to be supported and incentivized to transition to net zero or risk 'carbon leakage', as the high costs of pollution domestically may prompt businesses to relocate production to countries.
- Around 1 in 10 jobs nationally are estimated to need reskilling in the transition to net zero. Which will be more concentrated in sectors that are higher polluting (e.g. steel). Significantly impacting places based on the industry make-up of their economies.
- Of the 100 local authorities which have the highest levels of employment in high emitting industries, 74 of these are deemed economically vulnerable. Therefore, it would be beneficial for the government to align a plan for a just transition with the levelling up white paper.
- As the impact of a transition will be non-homogenous across sectors and regions, the government will need to conduct a sectorial and regional assessment, to ensuring regional and sectorial skills transitioning.



Midlands Engine Impact:

- Around 40% of all employment across the Midlands is employed within high emitting industries, such as manufacturing and aviation. These sectors will be highly vulnerable to a transition to net zero and will need support to reskill their staff, to pivot towards the use green new technologies and processes.
- 22% of the most economically vulnerable areas to a net zero transition in the UK, will be located within the East Midlands. This is due to a high concentration of employment in the manufacturing sector, as well as the region being characterised by low skills, low wages and high unemployment increasing its vulnerability, comparative to other regions.
- However, of those most likely to face high levels of disruption from the transition, also face higher levels of opportunity, in new job creation and decarbonization clusters. Areas in the West Midlands stand to have the largest opportunities, due to the strength of industrial clusters and STEM research facilities within the region.



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