Box 4: Greening of the labour market

As well as the risks to human health and wellbeing, climate change poses a major threat to the global economy, with the window of opportunity to mitigate its most extreme impacts closing rapidly.

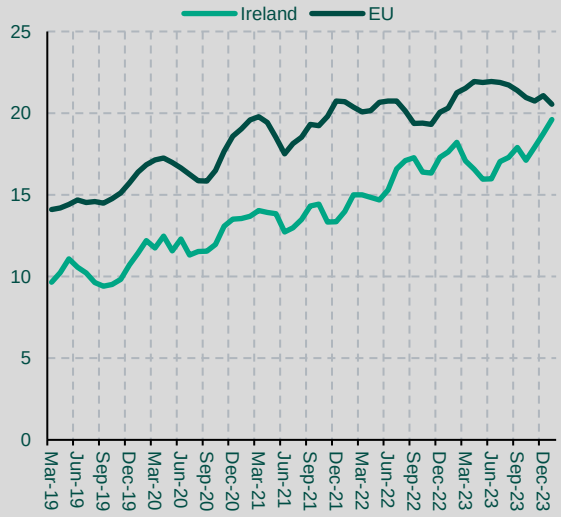
Central to the global policy response is the decarbonisation of economic activity, with Ireland committing to achieving 'net zero' across all sectors of the economy by 2050 as part of the European *Green Deal.* The transition to net zero will, however, require a transformation of the economy, specifically of how goods and services are produced.

Along with investment in infrastructure, a reallocation of workers across occupations and sectors will be required. Specifically, the green transition will involve job destruction in 'brown sectors' alongside job creation in 'green sectors'. Policies will therefore be required to smooth the reallocation of workers within the economy – via upskilling and re-skilling – to align the skills of workers (labour supply) with the needs of employers (labour demand) in order to avoid mismatches.

This transition is already underway, with green job postings as a share of total job postings trending upwards in recent years (**figure 11A**). While job postings data point to a concentration of green jobs in higher skilled occupations (e.g. professional and managerial occupations) (**figure 11B**), data on the environmental properties of existing employments are limited. However, an understanding of the incidence of green and brown employment is crucial to identify those groups and communities that may be at higher risk of displacement as a result of the net zero transition, and to target policies accordingly.

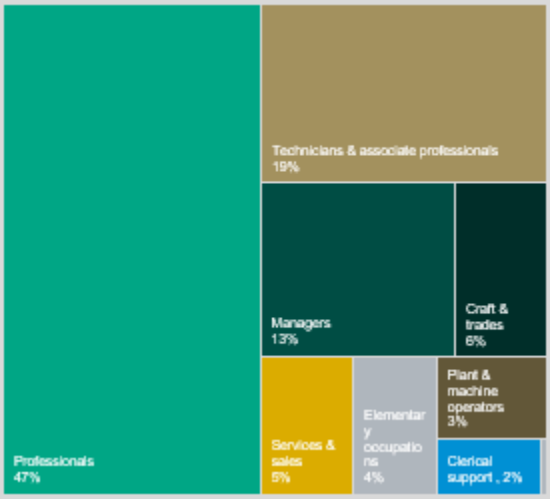
Figure 11: Green job postings

A: Green jobs per 1,000 job postings, 3 month m.a.



Source: Bruegel

B: Green job postings by occupation in Ireland 2023



Source: Bruegel

Cross-country evidence from the OECD suggests that green jobs accounted for around 8 per cent of employment on average in Europe in 2019, with little change in this share over the preceding decade. The estimated share of brown jobs is lower at 4 per cent.^ Notably, the distribution of green employment differs within countries, with men more likely to hold green jobs than women, and those with higher levels of education more likely to be employed in green jobs; this underscores the need for targeted policies to ensure a just transition.

To address some of the information gap, forthcoming analytical work by the Department (jointly with the ESRI) will use the Occupational Information Network (O*NET) taxonomy of green occupations along with Irish Labour Force Survey data to estimate the incidence of green and brown occupations in Ireland over time.

A key focus will be the characteristics of these workers (e.g. gender, age, education, region, tenure) and how they have evolved over time. The task and competency content of both green and brown jobs will also be explored to help inform policy in terms of the likely training requirements for future green jobs and the extent to which the skills of workers exiting brown jobs will be transferable to other parts of the labour market.

^ Causa, O., Nguyen, M. and Soldani, E. (forthcoming) Lost in the green transition? Measurement and stylized facts, OECD.