



# LOCAL LABOUR MARKETS: SKILLS DEVELOPMENT AND THE GREEN TRANSITION

2 June, Green skills in the eyes of European businesses  
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# Introduction

## The world of work is changing

The world of work is changing in light of **megatrends**: globalisation, automation, demographic shifts, digital and the green transition

These shifts have a **different impact** across people, places and firms

## The role of local skills development and adult learning

Local skills development is more important than ever

Needs to be **aligned with local** labour market needs and demand for skills

## Need for place-based action and investment in skills

Challenges differ across places

For instance, **cities and rural areas** face specific challenges and will need targeted support

# The future of work: megatrends

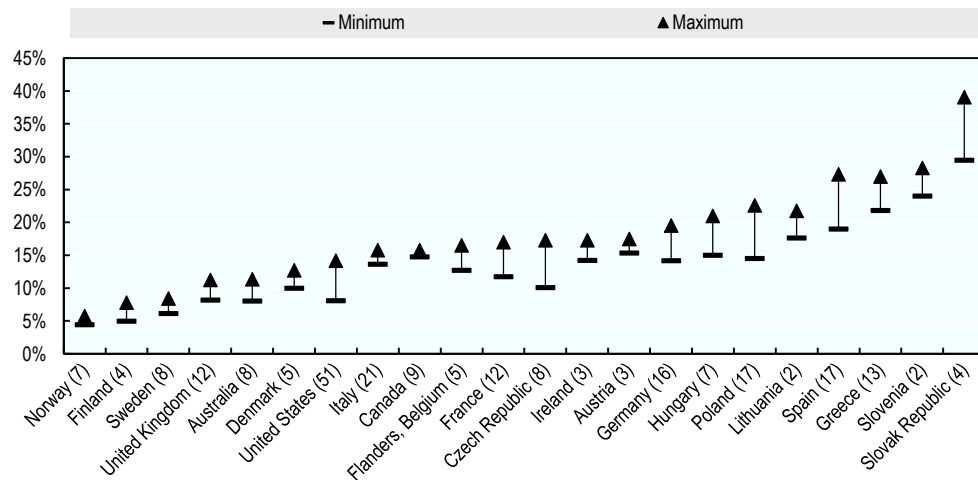




# The share of jobs affected by automation varies across places and skill levels

- 14% of jobs across the OECD are likely to disappear due to the automation of production processes
- But this number varies tenfold from 4% to 40% depending on the region.
- Mostly affects low- and medium-skilled
- Automation risks are higher outside of major metropolitan areas
- The development is reinforced by COVID-19, which has accelerated digitalisation

The share of jobs at risk of automation across OECD regions

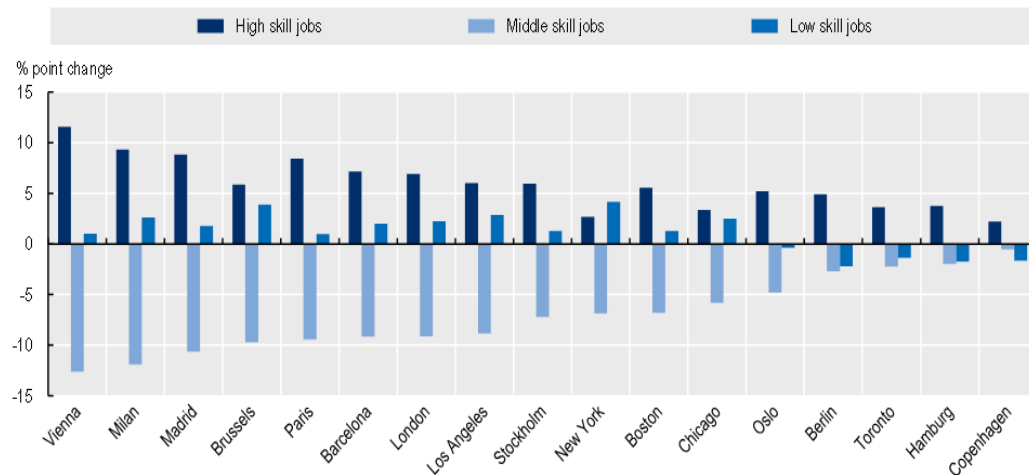




# Job polarisation has led to a decline in middle-skill jobs

- Automation is a skills-biased megatrend
- It complements some jobs but replaces others
- Across the OECD, many middle-skilled jobs have disappeared

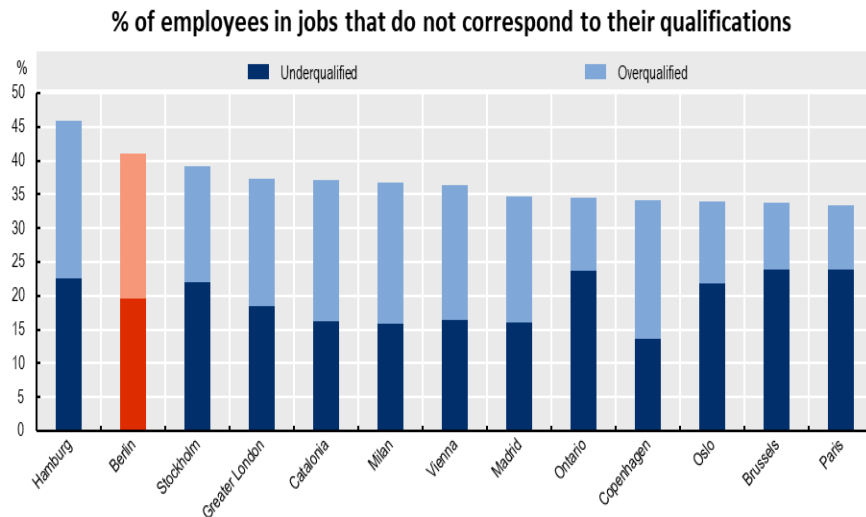
Relative change in jobs by skill level across OECD cities, 2000-18





# Skills gaps and imbalances are a major challenge across most places

- Across the OECD, 36% of workers are mismatched by levels of qualification
- Major differences within countries or across cities
- An increasing number of firms, especially in cities, struggle with significant labour shortages and skills gaps





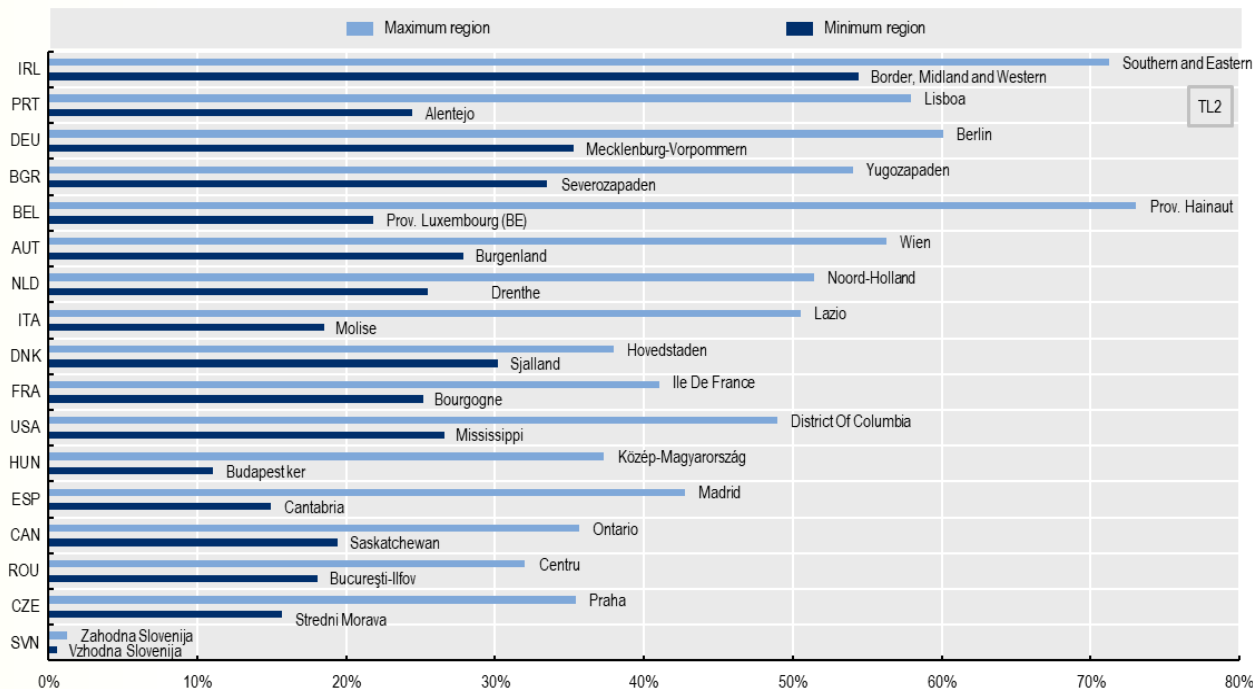
# Local partners play a key role in addressing digital skills needs

- Demand for digital skills is rising fast
- Depending on the region, **basic digital skills** are now required for **up to 73% of job vacancies** posted online
  - Many local programmes helping to boost basic digital
- Demand for **advanced digital skills** are now required for **between 0 to 40% of job vacancies** posted online depending on the region

## Key CFE work in PWB

- CFE's Reviews on Local Job Creation series focusses on **future-proofing adult learning**

Share of job vacancies requiring basic ICT skills



Source: OECD calculations based on Q3/2021 Burning Glass Technologies data.

For methodology, see OECD (2022), Future-Proofing Adult Learning in Berlin, <https://doi.org/10.1787/dfd38f60-en>.



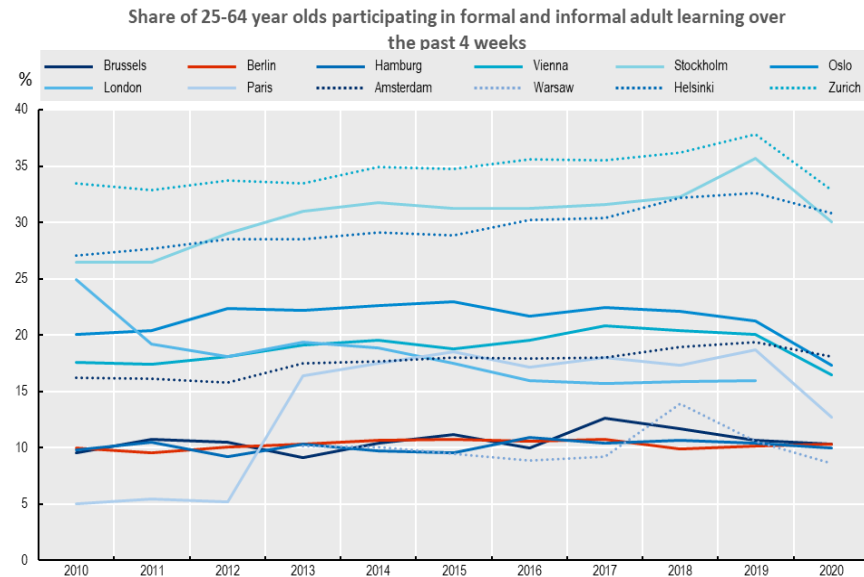
# The role of local skills development and adult learning





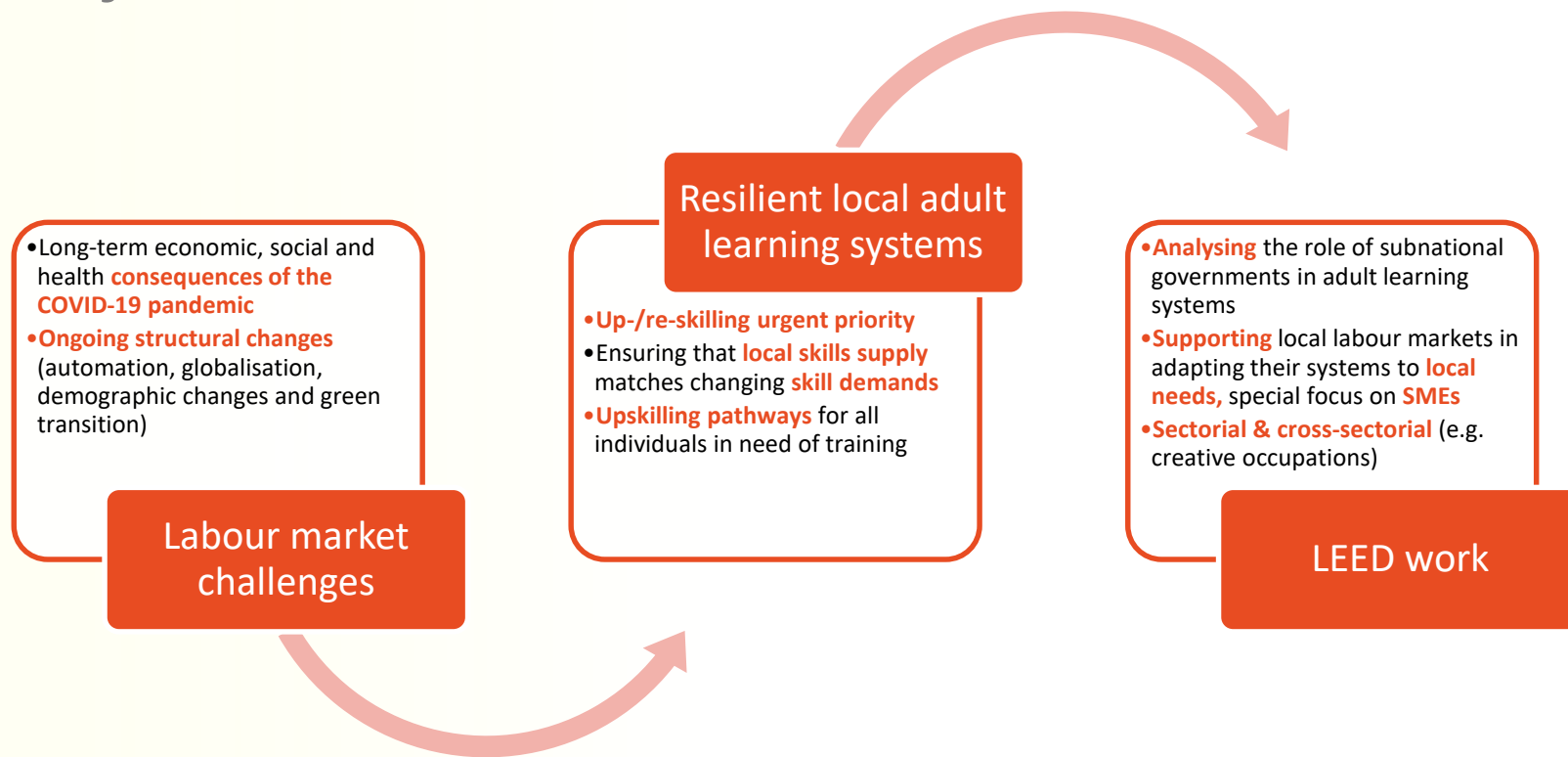
# Local adult learning and skills development as key policy instruments

- **Adult learning is now more important than ever but participation remains low**
- **The rapid transformation of the labour market requires targeted support**
- **Includes reskilling, upskilling, retraining, career guidance opportunities**
- **Measures have to be local because the need to respond to local challenges**





# CFE work on building resilient and inclusive local skills systems





# In-depth country studies



Strengthening city-level data



Engaging city level stakeholders



Analysis of policies & programmes at local level



## Peer Learning

International workshops, seminars, webinars, study visits

## Capacity building

Academies, workshops, seminars and tailored support for local leaders



Fostering peer learning



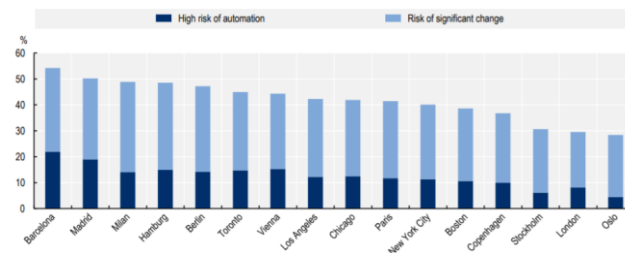
Capacity building to absorb recommendations and implement new policies



Piloting new policies/ programmes

Percentage of jobs at significant and high risk of automation by metropolitan areas, 2018

Share of jobs facing a high or significant risk of automation



Source: OECD Calculations on EULFS and Census data.



# Policy manual on adult learning in cities



Promoting inclusion and equality through adult learning

Most pressing challenge for cities and regions: including vulnerable groups in adult learning systems

Meeting the changing skills needs of employers and tackling unemployment

Getting employers on board and meeting local skills demand



Strengthening the provision of adult learning through strong governance systems

Cities and regions often struggle with limited formal competences

[OECD survey on adult learning systems in cities and regions \(still open until 3 December!\)](#)



# Opportunities and challenges of the green transition



# The green transition – a global challenge with local implications

**Climate change and environmental degradation: the most formidable task the world faces**

- Demands drastic actions in industrial production, consumption and energy provision

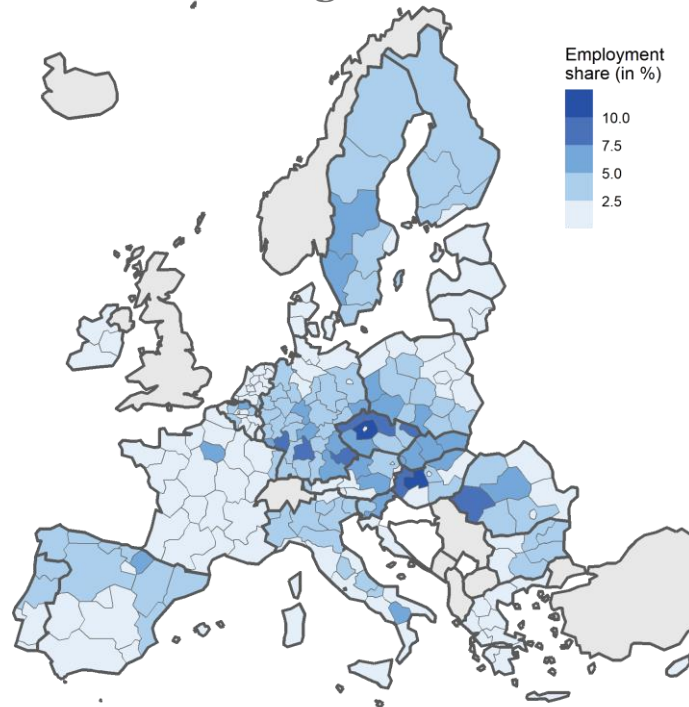
**Requires transformation across every industry in the economy**

**Creates a significant “greening” of the labour market**

- The creation of new types of jobs, the loss of old jobs, a shift in skills required for many jobs

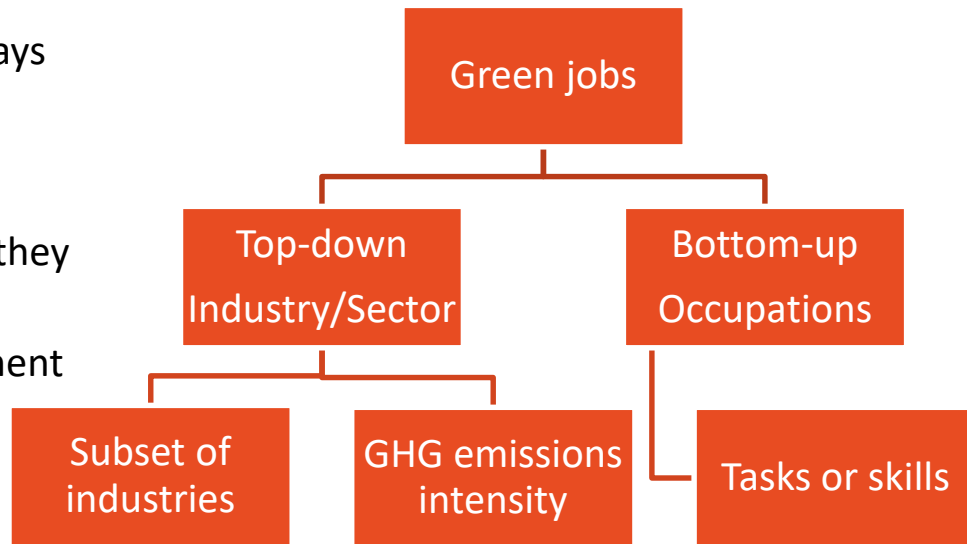
**A megatrend with an extremely localised nature both in terms of risks and challenges as well as opportunities**

**Employment in high-emission manufacturing sectors**



# What are green jobs? And where are they?

- Job opportunities of green transition under researched
- Green jobs can be classified in different ways
- Top-down vs. bottom up approaches
- Our approach is bottom-up:
  - Based on occupations and the tasks they entail
  - Utilises O\*NET Green Task Development Project
  - Yields a continuous measure of greenness (0 to 1)





# Preliminary evidence on regional disparities

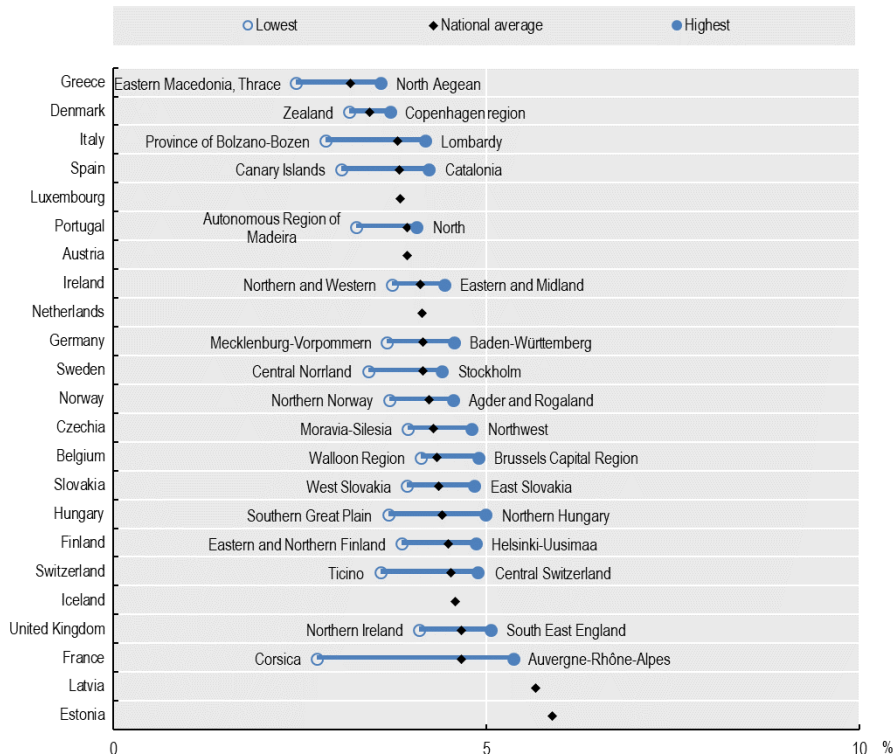
## The greening of local labour markets varies widely

- The weighted share of “green employment”, based on the share of tasks that are green, ranges from 2.5% to 5.5%
- In several countries, greenness is twice as high in the top as in the bottom region
- Significantly higher shares if all jobs that entail at least 1 green task are considered

## Early stage results:

- More elaborate analysis ongoing
- Extension to other OECD countries

## Green employment intensity across regions, 2020







# OECD Job Creation and Local Economic Development 2022

**Examines the geography of the green transition's labour market impact:**

## **I) Analytical insights**

- Which regions have recorded faster growth in green jobs? And why?
- What sectors are particularly “green” or “non-green”?
- What are the most in-demand green skills?
- Do green jobs (skills) come with a wage premium?
- Which places face higher risks of job losses?

## **II) Policy recommendations**

- Lessons from past transitions
- Rethinking skills: Upskilling, reskilling, retraining
  - Skills intelligence, career guidance
- Supporting green sectors
- Ensuring a just transition in all places



# OECD report *Job Creation and Local Economic Development 2022* – focus on the green transition

I Analytical insights	II Policy recommendations
Where are green jobs now?	National policies that help different types of local areas
Which regions have recorded faster growth in green jobs? And why?	Local initiatives and best practices
What sectors are particularly “green” or “non-green”?	Lessons from past transitions
What are the most in-demand green skills?	Rethinking skills: Upskilling, reskilling, retraining Skills intelligence, career guidance
Do green jobs (skills) come with a wage premium?	Supporting green sectors
Which places face higher risks of job losses?	Ensuring a just transition in all places

# Thank you

To discuss more on the  
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and skills policies contact:

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Visit our webpage: <https://www.oecd.org/cfe/leed/local-employment.htm>

