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WORKING PAPER

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From:	Presidency
To:	Working Party on Technical Harmonisation (Construction Products)
Subject:	Presidency non-paper

Scientific Background

Dear Colleagues,

In the last meeting of Working Party on Technical Harmonisation (Construction products) some delegations wished for more information regarding to scientific background concerning facts mentioned in draft Council conclusions. The Presidency promised to provide more figures regarding to effects on employment in EU.

What are the employment impacts of circular economy in the construction sector?

- The International Labour Organization (ILO) estimates, that a transition to “more sustainable economies” may add 60 million new jobs globally during the next two decades [1]. In the EU, this includes mainstreaming the circular economy. In the EU, the construction sector is estimated to benefit the most, with an addition of 6.5 million new jobs until 2030 [2].
 - In the case of Finland, for example, Seppälä et al. [3] calculate that circular economy could bring 5.000 additional jobs and add 1.715 billion EUR to GDP. They conclude that especially in the construction sector the required investments will become a significant contributor for growth.
 - Wijkman and Skånberg studied the impacts of circular economy for Finland, France, the Netherlands, Spain and Sweden using three alternative scenarios [4]. They report that all circular economy scenarios would lower greenhouse gas (GHG) emissions and have positive employment effects:
 - +15.000 jobs in both Finland and Sweden
 - +50.000 jobs in the Netherlands
 - +100.000 jobs in both France and Spain
 - Wijkman and Skånberg conclude that construction is among those sectors that require further investments for transition to circular economy. Furthermore, they estimate that the construction sector “is likely to increase by around a quarter in size”.
 - According to Eurostat, the “green economy” has already grown from 565.000 MEUR in 2007 to 746.000 EUR in 2017, which represents a growth of 32%. For the construction sector this green growth has been even faster, adding output from 124.000 MEUR to 177.000 EUR, or 43% during the same timeframe [5].
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- [1] International Labour Organization, "A just transition to a sustainable future - Next steps for Europe," ILO-Brussels, Brussels, 2017.
- [2] G. Montt, J. Capaldo, M. Esposito, M. Harsdorff, N. Maitre and D. Samaan, "Employment and the role of workers and employers in a green economy," in *Greening with Jobs - World Employment and Social Outlook 2018*, 2018.
- [3] J. Seppälä, O. Sahimaa, J. Honkatukia, H. Valve, R. Antikainen, P. Kautto, T. Myllymaa, I. Mäenpää, H. Salmenperä, K. Alhola, J. Kauppila and J. Salminen, "Kiertotalous Suomessa - toimintaympäristö, ohjauskeinot ja mallinnetut vaikutukset vuoteen 2030 [Circular Economy in Finland - operative environment, steering mechanisms and modelled impacts until 2030]," Valtioneuvosto, Helsinki, 2016.
- [4] A. Wijkman and K. Skånberg, "The Circular Economy and Benefits for Society: Jobs and Climate Clear Winners in an Economy Based on Renewable Energy and Resource Efficiency. A study pertaining to Finland, France, the Netherlands, Spain and Sweden.," Club of Rome, 2016.
- [5] Eurostat, "Production, value added and employment by industry groups in the environmental goods and services sector," Eurostat, 28 05 2019. [Online]. Available: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=env_ac_egss3&lang=en. [Accessed 30 09 2019].

On behalf of the Finnish Presidency Team,

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