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PRESS RELEASE

UNDERSTANDING JOB CREATION, DESTRUCTION AND SKILLS SHIFTS IN TIMES OF GREEN AND DIGITAL TRANSITIONS
EARLY INSIGHTS FROM THE ISABEL PROJECT

Labour markets across Europe are undergoing significant transformation driven by digitalisation, automation, in the context ofthe green and digital transitions. These processes are reshaping occupational structures, altering skill requirements and intensifying the geographically and socially uneven job creation and destruction (JCD). Understanding these changes in a systematic and evidence-based way is increasingly important for policymakers, researchers and practitioners working on employment, skills and strategies of fair labour market transitions.

The ISABEL project has completed its first year of implementation, focusing on building a solid conceptual and analytical foundation for the study of JCD, occupational change and skill shortages in the transitionary contexts. During this initial phase, the project concentrated on mapping how different occupations and skill profiles are affected by technological and structural change towards a greener and more digital economy, while also reviewing existing policy responses across European contexts.

Early insights from the project highlight that the green transition entails profound restructuring, particularly in fossil fuel–dependent regions, while generating significant employment opportunities in renewable energy, green construction, circular economy services, and sustainability-related professions. At the same time, carbon-intensive industries and fossil-fuel-specific skills face decline in demand. The digital transition, by contrast, permeates all sectors, mainly affecting routine tasks while raising demand for advanced digital and analytical skills, as well as soft skills such as adaptability and problem-solving.

Moreover, related to methods on JCD, the project highlighted the need for a more integrated methodological framework that combines statistical rigor with discursive insights to better understand labor market transformations in the context of emerging skill demands and structural change. In terms of policies, after the initial review of the current policy scheme to address the transition-driven JCD, ISABEL hightlighted that education and lifelong learning are central pillars, the need for regulations to protect the new digital work, and the importance of migration policies.

Another key insight emerging from the first year of work is the importance of responsible data use and transparency when applying advanced analytics and artificial intelligence in labour market research. The ISABEL project places strong emphasis on ethical, legal and societal considerations, ensuring that data-driven tools support inclusive and fair decision-making rather than reinforcing existing inequalities.

As the project enters its second year, the focus shifts towards the development and early validation of digital research and policy-support tools. These tools will first integrate secondary and primary data, with the development of the ISABEL data lake and the distribution of primary data through questionnaires with workers and firms across the 6 countries of focus (Denmark, Greece, Spain, Serbia, Poland, the UK). In parallel, qualitative work will continue in the living labs in the six regions of the ISABEL project (Sjælland, DK; Northeastern Scotland, UK; Western Macedonia, GR; Asturias, ES; Silesia, PL; Belgrade, RS) which have been set up and running since the third quarter of 2025. The upcoming tools will also integrate analytical methods and visualisation techniques to support the exploration of labour market dynamics and skills trends. Initial insights and analytical components will allow users to examine how JCD evolves over time and across regions and socio-economic groups, as well as how these trends relate to skills demand and policy interventions.

All these will be examined through the lens of the recently produced ISABEL conceptual framework on the regional labour market transformation in the context of the green and digital transitions. This comprehensive conceptual framework allows ISABEL to achieve a better understanding and more targeted study of the JCD process, its geographically and socially uneven effects and the subsequent skill shortages, in the context of green and digital transitions, while pinpointing the factors underlying this inequality. The framework adopts a geographical political economy approach, paying attention to the gross employment change, the effects of both job creation and destruction and how skills change, examining JCD from both demand (firms) and supply (workers) sides, as well as the effects on labour market of both production and consumption. It explores the whole spectrum of the labour market, including industries, occupations and skills, highlighting the case of change of existing occupations, which evolve based on new skills and tasks. Finally, JCD effects are examined among different socio-economic and demographic groups and across regions, thereby highlighting the importance of the regionally specific socio-economic context for the geographically and socially uneven evolution of JCD. The conceptual framework is tightly linked with the methodology of the ISABEL project, which comprises both social science methods and the efforts to harness social science with technical expertise (AI) for the creation of the ISABEL research ecosystem.

In the coming months, ISABEL will further expand its analytical outputs, producing evidence and insights to support forecasting, scenario analysis and policy design. By bridging research, data science and policy practice, the project aims to contribute to more informed, transparent and fair labour market transitions in the context of Europe's green and digital transformations.

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