

**TOUCH
STONE**

PAMPHLET#3



*A Green and
Fair Future*

For a Just Transition to a Low Carbon Economy



TOUCH
STONE

*A Green and
Fair Future*

For a Just Transition to a Low Carbon Economy

Contents

<i>Executive summary</i>	3
<i>Introduction</i>	7
<i>Why Just Transition?</i>	9
<i>Just Transition: policy and practice</i>	18
<i>Taking Just Transition in the UK forward</i>	24
<i>Conclusion</i>	31
<i>Bibliography</i>	32
<i>Notes</i>	34

Foreword

by Brendan Barber, TUC General Secretary

It seems odd to describe the debate about environmental policy as 'high octane', but it is at least accurate. As the world comes to terms with the fact that urgent action is required to protect the planet, the UK Government is forging ahead with major policies.

The Climate Change Bill will place a statutory obligation on government to reduce national emissions. The Carbon Reduction Commitment will bring the 5,000 largest organisations into a UK carbon market. And the second phase of the European Union Emissions Trading Scheme should begin to bite on the biggest polluters in the coming years. This is as it should be. Indeed, a strong case can be made that despite all this activity, more needs to be done, and quicker, to avoid the worst effects of climate change. This remains the case despite current economic problems. But a big question has yet to be seriously asked about all this policy change: what impact will it have on social justice and, in particular, jobs and the livelihoods of those who depend on them?

One thing we can be sure of: the impact on the UK economy will be great. Energy intensive sectors will have to change their ways and with that comes the prospect of major changes in the nature and location of jobs. Also, these sectors will have to compete in global markets transformed by carbon trading, international treaties and environmental regulation. For those working in these sectors, the prospect of change can be worrying. The industrial restructuring of the last 30 years, whether necessary or not, was allowed to occur in a deeply unjust fashion that saw some lose everything while others reaped huge rewards. It was an injustice that still scars UK society. And while the UK economy remains one of the least regulated and planned in Europe, fears that green restructuring will fall much harder on some than others must remain justified.

That is why this pamphlet is truly visionary. Instead of worrying about the consequences of change once it has happened, *A Green and Fair Future* argues that we must start planning now so that all the conditions exist for a genuinely just transition to a low carbon economy. The right consultation mechanisms, the right training, the right innovation policies, and the right financial support need to be in place. But most importantly we need the type of green enterprise and growth, already seen in countries such as Germany and Denmark, to ensure that greener jobs are available when transition becomes a reality.

This view came through loud and clear from the experts and professionals who gave up their time for interviews and I would like to thank them for their contribution to this important piece of work.

I hope all those who read this pamphlet will recognise its significance. It is now time to move from paper to practice and to start shaping a Just Transition programme for a green future that is increasingly inevitable.

Just Transition recognises that support for environmental policies are conditional on a fair distribution of the costs and benefits of those policies across the economy.

Executive summary

A shift to a lower carbon economy is not just necessary but increasingly inevitable. Although much more needs to be done to reduce the risk of significant climate change this century, new environmental regulation and the establishment of carbon markets will begin to change the shape of the UK economy over the next decade.

Unfortunately, significant periods of economic restructuring in the past have often happened in a chaotic fashion leaving ordinary workers, their families and communities to bear the brunt of the transition to new ways of producing wealth. Indeed, many individuals and communities in the UK are still paying the price for the rapid shift away from industrial production over the last 30 years.

Such injustice cannot become a feature of environmental transition. Not only would this be morally wrong and socially damaging but it would undermine the credibility of the transition itself and could slow or even halt this vital and urgent shift.

For this reason, among others, we need a 'Just Transition' to a low carbon economy. Just Transition recognises that support for environmental policies are conditional on a fair distribution of the costs and benefits of those policies across the economy, and on the creation of opportunities for active engagement by those affected in determining the future wellbeing of themselves and their families.

In particular, the wider and more detailed arguments for Just Transition can be summarised as follows:

- *Social justice and employment*

It is as yet unclear whether environmental transition will result in a rise or fall in overall levels of employment. What is certain is that there will be 'job churn' – a shift in the location of jobs between sectors and in the types of jobs done within sectors. Thus Just Transition measures are needed to ensure that job loss as a result of environmental transition is minimised and that change within sectors does not occur at the expense of decent work and decent terms and conditions.

A Just Transition strategy is also required to ensure that environmental initiatives not necessarily related to employment – for example, green taxes – do not impact on lower income groups.

- *Untapped potential and the need for workers' support*

Substantial evidence exists that environmental transition happens fastest and most efficiently when workers are involved, so that those affected by environmental policy are secure in the knowledge that their views and needs are being fully considered and responded to. Despite this, UK employees are currently an 'untapped resource' when it comes to tackling climate change. Involving employee representatives, such as trade unions, in the planning of environmental measures – as advocated by Just Transition – is one way to make better use of employees as drivers of environmental change.

- *Economic return and the benefits of long-term planning*

Evidence shows that Just Transition measures should not be seen as one-way traffic in terms of the flow of money and support from the wider economy to those at risk from environmental transition. The necessity of the long-term planning required by Just Transition can have additional benefits, in terms of both research and development and potentially strategic investments in green industries.

Many of these Just Transition concerns are now reflected in the International Trade Union Confederation's submissions to the UN in support of a new global climate change treaty. And as this pamphlet shows, they are proving influential across the world, in countries including the USA, Argentina, Spain, Germany and Denmark. However, the issues raised by Just Transition have been, at best, marginal to debate about the environment in the UK. It is time this situation changed.

Drawing on the way the concept has been understood in other countries, this pamphlet develops a detailed set of principles and provisions of Just Transition appropriate to the UK context.

Just Transition principles

1. *Meaningful environmental transition and sustainable development*

Environmental transition is both inevitable and desirable. Environmental degradation is one of the most serious threats facing humankind; all sections of society need to work together to prevent further damage to the planet's natural ecosystems.

2. *Representation and employee involvement*

It is essential that all sections of society have their perspectives voiced, considered and defended in decision-making bodies dealing with environmental transition. This includes representation at a variety of levels, from seats on national policy-making fora to involvement in more specific local negotiations, such as those surrounding environmentally-triggered plant closures.

3. *Stable employment and long-term planning*

A key element in ensuring a Just Transition is the long-term planning necessary to achieve stable employment. This does not just involve keeping individuals in work: it also includes preserving job equity, and ensuring that pay, conditions and health and safety do not suffer as a result of the changes that occur.

At the heart of the Just Transition concept is a recognition that ensuring social justice in the transition to a low carbon economy cannot be based on the vain hope that the market alone will provide. Planning and proactive policies by government to take full economic advantage of the global environmental transition is a basic precondition of a just transition. Without the necessary incentives and conditions for green enterprise and investment to get underway, current jobs will simply be lost to other countries, rather than be transformed into green jobs. The UK Government is only starting to recognise the truth of this now and there is still a very long way to go when we compare our economy to our European neighbours.

4. *Social justice and a fair distribution of costs*

Just as support for environmental change is needed from all sections of society, so the costs of that change must fall proportionately on all sections.

5. *Government backing and a united purpose*

Achieving Just Transition relies on a high level of commitment from all relevant stakeholders – not least the Government, trade unions and employer federations.

Just Transition provisions

1. *A national framework or mechanism to ensure long-term planning and representative decision making on environmental transition*

The framework would outline how the Government planned to engage with trade unions and other key stakeholders on Just Transition. It could involve the creation of a new body or bodies to plan for, and advise ministers on, the transition process. It may also stipulate consultation requirements for sub-national bodies and companies involved in environmental transition.

2. *Education and training to aid sustainable employment*

It is vital that adequate planning and provision of education and training takes place to protect jobs in the sectors that will be most affected by environmental transition. The Government is beginning to recognise the importance of this.

For example, an energy skills and training strategy is taking shape following a commitment in the Energy White Paper (May 2007). From a Just Transition perspective, key priorities must include the following: a genuine partnership approach to negotiating skills strategies that are fit for purpose; a reliable forecast of the UK's likely energy supply profile to 2015 and 2020; development of employer support for a new apprenticeships strategy; a new diversity strategy for the energy sector; and employers fully recognising the role of union learning representatives (ULRs).

3. *Decent jobs*

Just Transition must not just be about creating 'green jobs' to meet the direct material needs of those workers affected by the shift to a low carbon economy. It must also be about ensuring the jobs are decent jobs. While the transition process in sectors such as energy is meeting this goal, other environmental industries – in particular, waste and recycling – are not. A combined effort is required by employers, government and unions to address insecure and dangerous working conditions.

4. *Greening the workplace*

Following the success of initiatives such as the TUC's Greenworkplaces project, there should be an extension of schemes to help employers and employees work together to set and meet environmental targets. These goals could relate to simple environmental measures (e.g. basic energy saving practices) or more complicated schemes such as efforts to increase the sustainability of production processes. In particular, the Government should offer legal rights to green reps to give them time off for training and environmental activity at work.

5. *Flexible transition packages for workers*

Support for workers whose jobs may be lost or may face significant change due to environmental transition is crucial to any Just Transition programme. Although support packages would need to be flexible – in order to take account of the different situations in which workers find themselves – a general outline or timeline for such a scheme could be agreed. It might include: consultation requirements; education/training/re-skilling; compensation to cover relocation costs or living costs for those finding new work or who are facing significant change in the nature of their work.

Achieving such a programme of support packages will require significant inter-departmental working from the Government, with particular involvement from the Departments for Work and Pensions, for Innovation, Universities and Skills, and for Enterprise and Regulatory Reform, as well as regional development agencies (RDAs).

6. *Support for communities*

It is likely that some areas will face more challenges than others because of the geographically concentrated nature of many energy-intensive industries. Responsibility for a clearer understanding of which areas need to be monitored and the likely impacts of environmental transition on those areas must fall to the Department for Communities and Local Government, the relevant local authorities and regional development agencies, employers bodies such as the Engineering Employers Federation and trade unions with high densities of membership in the key communities.

6. *Funding*

Many elements of a Just Transition programme, while paying for themselves in the long-term, will require an initial – or indeed an ongoing – investment to make them possible. An obvious source of funding is the massive revenue stream due to flow to the Exchequer from the auctioning of allowances under the EU Emissions Trading Scheme.

7. *Monitoring and further research*

The lack of research regarding many areas of environmental transition needs to be addressed. In particular, information needs to be collated on (1) the UK skills base required in a low carbon economy; (2) the effect that the extra costs of environmental regulation is likely to have on pay, conditions and levels of employment; (3) the impact of environmental transition on job equity; and (4) the regional impact of environmental policies on jobs and skills.

Introduction

That the globe faces a serious threat from environmental degradation is no longer subject to serious challenge. The impact of Hurricane Katrina on New Orleans in 2005 provided a stark example of the devastation that can result from climate change, and its potential to disproportionately affect the least well-off.

In this context, a rapid move towards a low-carbon economy – ‘environmental transition’ – seems both necessary and desirable.

Support for environmental transition has not, however, been universal. One group to have raised concerns is the trade union movement. Alongside other like-minded commentators, trade unions have voiced fears over the impact that environmental transition could have on workers – particularly on those employed in energy-intensive, and more traditional, heavier industries.

This concern has led to the development of the concept known as ‘Just Transition’, which has proved influential in North America – particularly in relation to addressing the impact on local economies of anti-pollution legislation – and in Spain and Argentina. Just Transition starts from the premise that a more environmentally sustainable economy is both inevitable and of universal advantage. However, it recognises that change must be conditional on a fair distribution of costs: workers should not be expected to pay disproportionately for developments that benefit society as a whole.

At the heart of the Just Transition concept is a recognition that ensuring social justice in the transition to a low carbon economy cannot be based on the vain hope that the market alone will provide. Planning and proactive policies by government to take full economic advantage of the global environmental transition is a basic precondition of a Just Transition. Without the necessary incentives and conditions for green enterprise and investment to get underway, current jobs will simply be lost to other countries rather than be transformed into green jobs. The UK Government is only beginning to recognise the truth of this and there is still a long way to go when we compare our economy to those of our European neighbours.

The need to ensure a Just Transition is also a global issue, despite its development in individual countries to date. As a result, unions across the world are now beginning to take up the Just Transition theme, both with national governments and in multilateral fora.

In the UK, discussions about Just Transition are still in their early stages. It is time to move the debate on.

If environmental reforms are to benefit society as a whole, then there is a strong ethical and moral case that the costs of these changes should be spread across all social groups.

Why Just Transition?

The question 'why Just Transition?' can be answered by exploring three key areas:

- social justice and employment;
- untapped potential and the need for workers' support; and
- economic return and the benefits of long-term planning.

Social justice and employment

If environmental reforms are to benefit society as a whole then there is a strong ethical and moral case that the costs of these changes should also be spread across all social groups. Certainly, it would seem unfair for some of the UK's less affluent communities to heavily subsidise improvements for the relatively wealthy.

It is just this sort of unbalanced distribution of costs that some unions and campaign groups fear. This section looks at two areas. The first, 'Job loss, job creation and job churn' considers the key topic of concern, namely the impact of environmental transition on jobs and conditions of employment. The second, 'A wider perspective', uses the example of green taxes to demonstrate other ways in which environmental measures could impact disproportionately on certain groups.

Job loss, job creation and job churn

The major concern surrounding environmental transition is its effect on employment.

Job loss

Most studies agree that environmental transition's impact on employment will vary between sectors, with energy-intensive, and heavier, more traditional, industries being hardest hit. Even today – in what could be seen as the early years of transition – instances exist of job cuts resulting from environmental measures: for example, it is now estimated that between 7,000 and 10,000 jobs were lost in the US coal industry as a direct effect of the 1990 Clean Air Act; while, to cite a very different case, conservation measures to protect the spotted owl – again in the US – led to the loss of thousands of timber jobs. In Europe, under one scenario, it is predicted that 50,000 jobs (out of 370,000) will disappear in the steel industry as a result of environmental regulation, with the numbers employed in cement production projected to drop from 28,000 to 20,000.¹

Significantly however, another scenario, where there is successful development and implementation of low carbon production processes in the steel industry, would limit job losses.²

A further concern for countries like the US and the UK is the effect on energy-intensive industries of competition from areas not covered by carbon emissions trading schemes. The fear exists that as costs of carbon generation rise for those sectors covered by schemes, the same sectors in countries not covered by schemes will gain a competitive edge, damaging growth of covered sectors while also encouraging companies to relocate. In the UK, it is the EU Emissions Trading Scheme (EUETS) that has created most disquiet over the 'carbon leakage' of jobs. Recognised as the most significant attempt by any nation, or set of nations, to impose an effective limit on greenhouse gas emissions, the EUETS has left five carbon-intensive sectors – lime, precious metals, ceramic products, basic iron and steel, and cement – uncomfortably exposed.³ With the right support, however, this could also incentivise some sectors, such as iron and steel, to develop lower carbon and more sustainable production methods, which in the longer term may prevent the 'carbon leakage' of jobs.

The impact of the costs of environmental regulation across business more widely has also created disquiet. At present there is a surprising lack of research into, for example, the effect these costs might have on pay and conditions, or even levels of employment. This information void means it is impossible to say how well-founded fears relating to this issue are.

Job creation

While environmental transition can result in job losses, it also has the potential to create jobs. In Spain, the recently introduced Spanish Building Technical Code – which makes solar thermal energy resources compulsory in new and refurbished buildings – is expected to create 5,000 jobs by 2010.⁴ Meanwhile Germany is running a scheme to renovate 300,000 apartments aimed at substantially reducing CO₂ emissions and lower heating bills for tenants and landlords alike. It is predicted that the scheme will free up an additional US\$4 billion per year for the German state, by reducing unemployment costs and by increasing revenue from income taxes. By 2004, the scheme had already generated 25,000 jobs. Notably, the project is a joint effort between German unions, the Government, environmental NGOs and employer federations.

In 2000, the Worldwatch Institute made a more general attempt to quantify the number of jobs that would be created in a sustainable economy. It noted that wind power, for example, could employ 1.7 million people worldwide by 2020, while the global recycling industry already employed more than 1.5 million.⁵

Job churn

Arguments about whether environmental transition will result in a rise or fall in overall levels of employment are likely to continue. For those concerned with Just Transition, however, it is not so much the total direction of change as the phenomenon of 'job churn' that is of most pressing concern. Job churn refers to a change in pattern of employment – the transfer of jobs between sectors as some shrink and others grow, and to changes in the types of jobs done within sectors. If environmental transition causes job churn on a large scale – as seems probable – then Just Transition will become a central issue: even if environmental transition's overall effect on employment turns out to be positive, its costs could still fall disproportionately on some sections of society.

There are four reasons why this is the case. Firstly, newly created jobs may not go to those whose jobs are threatened as the result of environmental measures. This could occur because new jobs may not be in the same geographical area or new jobs may not be created in the same sector or may require very different skills. In addition, while new and accessible jobs may be created, they may only become available some time after jobs have been lost.

Secondly, other concerns have been expressed about the effectiveness of some re-skilling/retraining programmes. Some commentators have stressed the benefits of focusing on the utilisation/development of individuals' existing skills, as opposed to attempting to teach an alternative skills set. Others argue that it is crucial to link re-skilling to specific jobs. An example of one scheme that has come in for criticism is the US' Job Training Partnership Act (JTPA). Originally designed to aid economically disadvantaged workers, the Act was amended in 1998 to include "assistance programs for workers displaced by environmental measures or other policies". Since then, however, critics have suggested that "the short-term job training and job search assistance offered through the JTPA does little to benefit workers who have lost good jobs".⁶

Thirdly, newly created jobs may be of a poorer quality – in terms of pay, conditions and/or seniority – than the jobs they replace. This issue of 'job equity', in particular, suffers from the lack of research common among issues relating to Just Transition.

Finally, many energy-intensive industries are concentrated in relatively small geographical areas. There is therefore a real danger that environmental transition will have a disproportionate effect on particular communities.

The problems outlined above are not unique to environmental transition: they are the same issues that arise from other types of economic restructuring. This similarity does not, however, make them any less real or pressing. Many people's experience of earlier periods of structural change – for example the industrial restructuring of the 1980s – was intensely negative. If anything, the existence of this type of historical precedent shows just how severe the effects of environmental transition can be if they are not properly managed. While environmental transition may not have a detrimental affect on overall levels of employment, trade unions and commentators are right to be concerned.

There is no point in simply hoping that environmental job churn will work out for the best: as the evidence presented here shows, a just transition requires vision, planning and investment.

A study of environmental transition in Canada concluded that:

Just Transition has ... remained largely a slogan and a well-articulated theoretical program. Why so? The reason is that industrial change in Canada has been slow and unimaginative. Had Canadian society and its government been in the vanguard of environmental change, we would by now (for instance) have had our own domestic wind power industry and wind power would be providing more of Canada's electricity. Workers who lost their jobs in redundant mines and ship repair facilities would be building wind towers and turbines – Just Transition in the best sense of the term. But this has not happened: Just Transition has not taken off because there has been no Green Job Creation worth the name.⁷

Where there is serious planning, however, and a real political will to take advantage of the green economy, a just transition becomes a possibility and job issues can be addressed.

For example, the employment potential of green manufacturing has not been lost on our European partners. It is notable, for example, that while Germany has managed to create a renewable energy sector employing 249,000 with a turnover of €24b, the UK sector employs far fewer: an estimated 7,000 with a turnover of €360m.

There has been some acknowledgement in the UK of the importance of this issue but much of the work has been done on paper rather than in practice. In 2007, Gordon Brown established a commission to make detailed proposals on developing the green economy and secure new jobs for Britain over the next 10 years. On launching the Commission, he said:

The most promising development is that new jobs, new industries and new exports come from rising investment in new, low carbon technologies... As the international community begins to build a long-term framework, as the European trading scheme expands into a global carbon market, a new low-carbon global economy will take shape.⁸

He tasked the Commission on Environmental Markets and Economic Performance (CEMEP) to set out the actions that should be taken by government, business and others to drive investment and innovation in environmental markets in the UK, and in so doing seize the substantial opportunities for wealth and job creation.

The final CEMEP⁹ report argued that government should use the standard instruments of regulation or market based incentives to internalise external costs of climate change (especially, the price of carbon emissions) and, in addition, support environmental innovation directly.

Its three key framework conclusions covered:

1. **Environmental policy:** Measures such as putting a credible long-term price on carbon, better environmental regulations and removing barriers to commercialisation are needed to provide the appropriate signals to the economy.
2. **Innovation policy:** 'Market pull' instruments are required to support the larger scale deployment of emerging innovations by helping to create 'lead markets', which – in the environmental field – do not generally exist in the absence of policy intervention.
3. **Innovation policy and supply push:** These policies need to be underpinned by effective investment in the technologies and skills that will help develop competencies in the UK, and around which the new industries of the future will emerge.

The TUC's contribution to the CEMEP work programme focussed on two key issues highlighted in the conclusions:

1. Government should facilitate the scaling-up and replication of the Forward Commitment Procurement (FCP) model in the public sector by:

- identifying where more cost-effective solutions are needed to achieve environmental policy objectives; and
 - developing the public sector's capability to engage effectively with the market using FCP, including the establishment of a 'Challenge' scheme.
2. To better understand where employment opportunities and skills needs are emerging in environmental markets, all stakeholders have a responsibility and a role to play.
- Government should map the various fora where these issues are already under discussion to help identify whether existing bodies are able to take the agenda forward.
 - Following the Energy White Paper request to sector skills councils (SSCs) to report on skills gaps in the energy sector, Government should invite the UK Commission for Employment and Skills to review with SSCs the implications for employment and skills of the move to a sustainable, low-carbon and resource efficient economy, and to make recommendations to Government.

Despite the CEMEP report, a proactive Government strategy to create the enterprises and jobs that will allow the UK to develop its green economic potential in the way our European partners have is yet to take a practical form. Only such a strategy can ensure that the resulting job churn from new environmental regulation and carbon markets occurs in a context of just transition rather than economic hardship.

In the meantime, the TUC and its affiliates continue to press the case, through such channels as the Ministerial Advisory Group on Manufacturing, the Trade Union Sustainable Development Advisory Committee and the Coal Forum, for a Government-led green strategy based on proactive support for green manufacturing and green energy sources such as carbon capture and storage.

A wider perspective

Although debates on Just Transition often centre on employment, Just Transition can cast a wider net. As set out in the introduction, Just Transition is about ensuring that the costs of environmental transition do not fall disproportionately on lower income groups.

One relevant area of disquiet is that of green taxes. Green taxes are often the preferred strategy when fundraising for environmental schemes. It is argued that, at the same time as raising revenue, such taxes also help to curb environmentally excessive behaviour. Such taxes are not, however, generally proportional to income, and concerns have been voiced that they may impact excessively on lower income groups. It is a well-established fact that indirect taxes take a higher proportion of income from those lower down the income scale. In effect, indirect taxation is a regressive tax system that requires a progressive direct tax system running alongside it to ensure that the poorest do not contribute disproportionately to public funds. Thus if there were a significant shift away from income tax (and other direct taxes) towards indirect green taxes as some, particularly in the Conservative Party, demand, then we could expect this element of environmental transition to fall disproportionately on the less well-off.

The issues surrounding green taxes are complex – some would argue, for example, that accompanying measures can be used to minimise the effect of such taxes on the poorer sections of society. What is clear, however, is that there is a need for discussions on issues like green taxes to be informed by the perspectives of all sections of society. Throughout the process of environmental transition, it is of critical importance that lower income groups have their concerns voiced, considered and defended. Such negotiation between interest groups is exactly what should be on offer under Just Transition schemes.

This raises the issue of the way the new Independent Committee on Climate Change (ICCC) will involve stakeholders in its consideration of environmental policy. Given the very significant impact such policy will have on the livelihoods of workers and citizens – and given the tough targets on carbon cutting the Government is now setting itself which the ICCC will be tasked with assessing – a clear engagement strategy with trade unions and other civil society bodies for the ICCC is vital. Such a strategy would not only ensure a just transition but also guarantee that the Government's goals and policies are understood and accepted as widely as possible.

Untapped potential and the need for workers' support

Unsurprisingly, resistance to environmental transition tends to come from those who fear such transition will severely damage their livelihoods.

It is always going to be difficult to get those most profoundly affected by environmental transition to support its emergence. However, by ensuring that the costs of change are spread as evenly as possible across society, and that the benefits reach those who most need them, and by involving those most affected in the negotiations and decision-making processes surrounding their own futures, Just Transition can help remove barriers to progress and enlist valuable support for environmental improvements.

One example of a union offering to remove its resistance to change in return for a Just Transition, comes from the United States. Although this is in the context of legislation designed to prevent local pollution, an analogy with the impact of climate change measures is clear.

The Oil, Chemical and Atomic Workers (OCAW), faced the closure of whole industries deemed too environmentally unsustainable to continue. Yet while a Federal Superfund Law provided millions of dollars to clean up contaminated land, there was no compensation set aside for workers displaced by the closures – a fact that led Tony Mazzocchi, a senior OCAW official to comment, "They were going to treat dirt better than workers". With characteristic bluntness that goes to the heart of the Just Transition concept, Mazzocchi also pointed out that: "Working people aren't going to commit economic suicide in order to advance the enhancement of the environment. It's not the type of choice one should be given."

Understanding that there was a real issue to contend with, Mazzocchi sought recognition of the potential impact of the closures upon workers and strove to achieve justice for them:

We're for an environmentally safe economy and a Just Transition strategy to achieve it. We need to phase out toxic substances being used but we have to compensate the workers accordingly. It should not be at their expense. We understand, especially in my own union, the nature of what we produce and we're concerned about it. We're also concerned about our livelihood. And if these substances have to be removed from the environment, we think those who create pollution should be forced to pay so working people are treated equitably in that transition.

Mazzocchi's 'Just Transition strategy' put aside resistance to closure plans. Instead, he promoted the concept of levying taxation against particular polluting chemicals and processes to finance a:

government-established fund that would provide full wages and benefits plus tuition costs for displaced workers for up to four years of school, plus aid in relocating to find a new job. The fund, directed by government, industry, labor, community, and environmental representatives, could also provide low-interest loans and technical assistance to develop alternative technologies and jobs for displaced workers.¹⁰

Workers' support for environmental transition is key. Such support can be achieved through major sectoral, regional or national programmes as outlined above. But it can also be developed at workplace level and in a way that has a positive benefit with regard to the reduction of carbon emissions itself.

Substantial evidence exists that environmental transition happens fastest and most efficiently when workers are involved. One key source of information in this area is the Greenworkplace projects run by the TUC and its affiliates. The 2006-7 pilot phase of the scheme involved six workplaces and included the training of 'green reps', support for negotiations with management on environmental issues, and the organisation of open events with outside speakers from environmental organisations.¹¹ An evaluation of the scheme produced several key results:¹²

- Initiatives were union-led, and there was an unusually high level of engagement from both members and potential members.
- The number of employees attending open days, completing surveys, and applying for training courses was considerably higher than the numbers who had got involved in 'management led' initiatives, showing the importance of unions having a voice in the workplace environment agenda.
- The numbers were also higher than for those who had got involved in union-led initiatives in other areas, showing the strong level of interest in green issues.
- The training led to new bargaining structures such as joint environment committees being established or worked towards, new reps coming forward, and the development of formal agreements on time-off for environmental training and duties for green reps.
- Union green reps were able to conduct their own workplace energy audits.

- Green reps were able to get management to measure and report information on energy costs for the first time.
- Most importantly, actual or potential energy/carbon savings were identified in all projects.

Despite these findings, UK employees are currently an ‘untapped resource’ when it comes to tackling climate change.¹³ A Carbon Trust study, published in February 2007, found that:

- 67 per cent of employees were keen to help their organisation cut carbon emissions and wanted more direction regarding how they could help.
- However, only 18 per cent of employees were happy that their company was doing enough to cut emissions.¹⁴

Clearly there is potential to engage more effectively with the UK workforce to bring about environmental change. Involving employee representatives, such as trade unions, in the planning of environmental transition – as advocated by Just Transition – would be one way to make this happen.

Economic return and the benefits of long-term planning

Just Transition should not be seen as a government handout. Perhaps the closest historical precedent to a full Just Transition programme – albeit on a much larger scale – was the United States’ Servicemen’s Readjustment Act of 1944. Commonly known as the GI Bill, this was a government-funded scheme to help World War Two veterans make the transition back into civilian life. It covered 15.4 million former servicemen, providing a living wage and tuition for up to four years. It also included extending grants to millions to pursue higher education. In total, the Bill funded 2.2 million GIs through college and graduate school, and a further 3.5 million to trade schools and other educational programs.¹⁵ Critics who had initially labelled the programme as ‘too expensive’ had to eat their words: “A 1998 congressional study found that, for every dollar invested in the GI Bill, the Government and economy reaped at least \$6.90 in economic growth and taxes.”¹⁶

It was this remarkable piece of legislation – now viewed as perhaps the best human-resources investment ever made¹⁷ – that formed the basis for Tony Mazzocchi’s proposals detailed above. Indeed, Mazzocchi had himself been a beneficiary of the GI Bill.¹⁸

In a similar fashion, although on a smaller scale, Just Transition can provide further benefits because of its similar emphasis on long-term planning. Preparation work for a Just Transition strategy would be likely to include an audit of the skills base required in a low carbon economy, as detailed above.

This type of detailed forecast is now in preparation in the UK, with BERR leading a new assessment of the skills and training challenges of the Government’s energy strategy (see below). Meanwhile, DEFRA has established a Stakeholder Advisory Group to provide strategic guidance and advice on the skill requirements for a low-carbon resource efficient economy.

The findings of a skills-base audit would allow education programmes to be more effective: its results could be reflected in long-term training and staff development programmes, as well as in the re-skilling offered as part of Just Transition schemes. The content of apprenticeships could also be updated to better equip new workers for the changes facing their chosen sector.

The long-term planning required in a Just Transition approach would also allow the Government to make strategic investments in green industries. The benefits that can be accrued from such investments are already on show in a number of countries around the world.

For example, the German Federal Environment Ministry is currently following an innovation-based environmental policy centred around a 'New Deal' for the economy, environment and employment.

The policy is expected to achieve a 'double dividend' for the environment and German trade and industry: the Ministry believes Germany to be well-placed to play a pioneering role in the 'third industrial revolution', becoming the world's major energy-efficiency and environmental engineer.

It predicts that growth in environmental technology markets will vastly outstrip traditional economic sectors, with a four per cent annual growth rate, taking turnover in Germany to €1000b by 2030.

The positive effects of the Ministry's policy have already been seen in the renewable energy sector mentioned above. The number of Germans working in this area increased by almost 50 per cent between 2004 and 2006 and is predicted to reach 400,000 by 2020.

Similar long-term planning has given the Danish wind power industry a major first mover advantage in environmental markets. It is now Denmark's third largest exporter, with 38.5 per cent of the global market for wind turbines. It has generated €4b of economic activity, created 20,000 jobs and now supplies 16.7 per cent of the country's energy. The future export potential of wind turbines is helping to offset the Danish Government's initial investment in research and development, and market deployment support.¹⁹

Just Transition: policy and practice

A number of attempts have been made to formulate Just Transition as a coherent policy outlook. Before trying to develop a comprehensive approach for the UK context it is worthwhile briefly surveying attempts that have developed in other countries around the world.

Just Transition in the United States

Just Transition in the United States originated in the 1970s when Leonard Woodcock of the UAW, the autoworkers union, "proposed that workers who lost their jobs because of employer pollution abuses should have the right to bring a class action suit against their employers and to recover lost wages and benefits, lost seniority, the cost of retraining, and moving expenses."²⁰

The idea of Just Transition had some early success. Although vetoed by the then President Nixon, the Public Works and Economic Development Act, passed by Congress in 1972, would have required an investigation of:

...all employment losses alleged to result from enforcement of any federal environmental law and to work with affected communities to devise alternatives to layoffs. Workers certified as unemployed because of pollution control standards would have been eligible for: 78 weeks of unemployment compensation at 60 per cent of their former weekly wage, a year of mortgage and rent payments, and re-employment assistance.²¹

Similarly, both the Clean Air Act (Section 321) and the Clean Water Act (Section 507) have employee protection provisions contained within them (lobbied for by the Steelworkers, as well as by other US unions).²² Further schemes were developed, including the following particularly notable example, which arose out of the planned expansion of Redwood National Park:

The result was the Redwood Employee Protection (REP) program. All local timber workers laid off between 31 May 1977 and 30 September 1980 were guaranteed full salary, health and welfare benefits, and pensions (to be paid by the Government) until 30 September 1984, or their 65th birthday... Eligible workers also qualified for government-funded training and relocation benefits.²³

It was around this time that Tony Mazzocchi, then working with the Oil, Chemical and Atomic Workers (OCAW), coined the phrase 'Just Transition'. The term was adopted in relation to his plans for a fund for workers displaced by the closure of industries (detailed above).

Perhaps unsurprisingly given its connection with Mazzocchi, the OCAW was one of the first unions to wholeheartedly adopt the principles of Just Transition. Today, the OCAW's Union Journal defines Just Transition as "a way that workers can support the environmental cleanup without the worry of job loss... Just transition forces employers to take responsibility for workers and keep communities intact".²⁴ At their 1997 conference, the OCAW committed itself to the following four actions:

1. Fair and just transition to sustainable production that protects both health and safety and the environment, as well as workers' livelihoods, and makes corporations more accountable.
2. The establishment of a fund by the Federal Government consisting of corporations' contributions.
3. A commitment to making the just transition fund a reality, including agreement on working with allies in other unions and in the environmental and environmental justice communities.
4. Sound public policy initiatives that call for phase-outs or bans of extremely harmful substances provided that the jobs and rights of peoples and communities affected will be taken into account during the transition to sustainable production.²⁵

Robert Wages, the President of OCAW, believed that to function Just Transition would require the following support:

1. At least two years notification so that workers and communities have time to prepare for the upheaval that occurs when a company slashes jobs or pulls up stakes altogether.
2. A special fund to provide dislocated workers with: full wages and benefits until the worker retires or finds comparable employment; up to four years of tuition grants to attend vocational schools or colleges – plus full income while studying; post-educational stipends or subsidies if no jobs at comparable wages are available after graduation; and relocation for displaced workers who choose to move for employment reasons.
3. That the Fund would receive revenues from a surcharge on the production of toxic substances targeted for elimination. It would also receive funding from a small corporate tax on international financial transactions.²⁶

This strategy has met with considerable approval and has become an established element of AFL-CIO (the US union federation) environmental policy.

More recently, discussion surrounding Just Transition in the US has focused on the Kyoto Protocol. Backing the Protocol for the first time, US unions have sought to ensure that adequate provision is made for its impact on employment. One of the leading proposals currently before Congress, the Lieberman-Warner Bill (President Bush is expected to veto it), would create an emissions trading scheme supported by progressive Just Transition standards on issues including: union voice, training, wage cover, health care cover and adaptation support.

Finally, in relation to the United States, it is important to recognise that the inclusion of Just Transition's central tenets in legal enactments or environmental initiatives has not just been theoretical. For example, both the 1990 Clean Air Act and 'spotted owl initiative' involved substantial government funding for worker retraining. This included targeting a small proportion of funds at retraining timber workers in forest restoration work.²⁷

Just Transition in Canada

Following the emergence of Just Transition in the United States, and initiated by the need to respond to job threats, similar patterns of Just Transition have emerged in Canada. Many unions, including the Canadian Auto Workers and United Steel Workers have now embraced a range of Just Transition-related policies.

The first Canadian trade union to take up the Just Transition mantle was the Energy and Chemical Workers Union (ECWU). The ECWU outlines the context for any Just Transition programme as follows:

It is fundamentally unfair to require working people to absorb the cost of environmental controls that benefit society as a whole. Nor is it politically workable, since it inevitably creates opposition to environmental reform, and pits workers against environmentalists. The only answer is to link environmental reform with economic justice. Cleaning up the environment and improving public health should never be accomplished on the backs of workers. In particular, income protection and job retraining should be automatic for those who are displaced because of new environmental regulations, or the failure of their employers to adapt.²⁸

Dating from the same year, the Canadian Labour Congress's important paper, *Just Transition for Workers During Environmental Change*, states that a Just Transition Program is guided by the following principles:²⁹

1) Sustainable employment and economic development

A sustainable economy is one which provides stable employment over time. It is based on sustainable production that respects the health and social well-being of workers as well as the health of the environment. It means quality jobs in production systems that produce safe, durable products.

2) Sustainable unions and the labour movement

...Ours is also a social vision: ... the fight for a Just Transition continues this tradition. By developing a progressive program for good jobs, stable communities and a clean environment, we will help to make our union attractive to unorganised workers while boosting our credibility as efforts to solve our environmental problems continue.

3) Sustainable communities and society

Environmental justice requires balancing the concerns of citizens and communities with environmental and economic needs. Equitable decision-making on environmental problems and resources and land use requires participation by all – particularly those who will be most directly affected. We are committed to social stability and a good quality of life for all. Just as our natural resources should benefit all Canadians, the costs of solving environmental problems must be fairly distributed.

4) *Sustainable resource use and healthy ecosystems*

A healthy society and economy depend on the health of natural ecosystems. The priority must be the preservation of these natural systems for future generations, assuring that the capacity of air, water, land to support life is enhanced – not degraded. Where ecosystems have been degraded, they must be restored. Biological diversity is as valuable as economic diversity, so that genetic, species and ecosystem diversity is vital.

5) *Society's right to decide on environmental issues*

Society and its citizens have the right and the responsibility to make decisions on environmental hazards, even where absolute scientific proof of harm is not yet available. But too often, public policies are decided by private interests like transnational corporations and their lobbyists who claim that they should be allowed to continue doing business as usual until it is proven beyond any doubt that the environment is being degraded. We must ensure that public policies are developed for the common good in consultation with everyone affected, including the labour movement.

Just Transition in Argentina

In Argentina, the General Confederation of Labour (CGT) has signed a 'Framework Environmental Agreement' with the Government. The agreement guarantees the participation of workers in policy processes to achieve sustainable development, as well as the incorporation of environmental clauses in collective agreements. Sustainable development is defined as encompassing better working conditions, better job opportunities, an expansion of employment and strict compliance with International Labour Organisation conventions.

The Framework Environmental Agreement aims to:

- create a new alliance on labour and the environment;
- involve the labour movement in the debate on, and implementation and follow-up of, national environmental policies;
- build a co-ordination agency between government and unions on the environment;
- open institutional spaces in the environmental agenda to ensure full participation by workers in addressing each issue (clean production, climate change, alternative energies, Mercosur, hazardous substances, forests, desertification, rural environment);
- train environmental delegates in each sector of activity;
- define characteristics and methodologies for a Just Transition;
- obtain tools to include environmental clauses in collective agreements.

The CGT has since signed an agreement with the Ministries of Health, Labour and Environment, re-affirming commitment to the Framework's agenda and establishing a co-ordinating committee. Planned activities include: training for environmental delegates; the creation of a strategy, including mechanisms for a Just Transition; implementation of good practices by workers in a variety of sectors, to allow the creation of new jobs and better wages.³⁰

Just Transition in Spain

In 2004, the Spanish trade unions – particularly the CC.OO and the UGT – signed an agreement with the Zapatero Government “to promote a quality, sustainable industrial structure”. The agreement grants relatively far-reaching rights to workers’ representatives, including worker participation in the implementation process of environmental regulations; information, participation and representation rights in workplace environmental issues; and “trade union attendance in environmental participative bodies”.

Also in 2004, the CC.OO and UGT signed an agreement with the Government and employers’ organisations regarding compliance with the Kyoto Protocol. The deal created general and sectoral ‘Round Tables on Social Dialogue’, charged with implementing the Protocol in varying industrial sectors. The Round Tables’ brief included the responsibility to “prevent, avoid or reduce the potentially adverse social effects that could result from compliance with the Kyoto Protocol, in particular those related to competitiveness and employment”.³¹

Just Transition at international level

In consultation with its global affiliates, the International Trade Union Confederation (ITUC) has sought to embody many of the principles and practical union examples outlined above in its submissions to the UN, in support of a new global climate change treaty. Its statement³² to the UN climate change convention in Bali (2007) argued for a series of international Just Transition measures, including social dialogue, freedom of association, training, social protection and new financial flows to developing nations.

For the ITUC, these transitional measures are essential to fuel mass support for climate change policies, as employment concerns have regularly been put forward by governments as a reason for not undertaking climate change policies. This degree of detailed engagement in the post-Kyoto process is a new departure for the international trade union movement. It is already bearing fruit, with key players in the negotiations beginning to acknowledge the importance of Just Transition for achieving a fair and credible international agreement. Most notably references in the Bali Action Plan to the economic and social challenges of climate change, and a new commitment to engage civil society bodies in UN processes, are clear signs that unions and other non-governmental bodies are getting their messages across.

A similar process is happening at European level, with the European Trade Union Confederation (ETUC) pressing for binding negotiation between the EU social partners on climate change policies rather than one-off consultations. This could take the form of a European tri-partite dialogue programme on climate change, bringing together the European social partners and the European Commission. The ETUC is also demanding clear co-ordination between member states on Just Transition programmes with a particular emphasis on ensuring skills for a low carbon economy.

Furthermore, European sectoral social dialogue committees should make adapting to climate change and reducing greenhouse gas emissions new collective bargaining fields. The European Ultra Low CO₂ Steel Making R&D programme (ULCOS) is one of the first examples. It draws on public and private funding, bringing together steel companies, research institutions and trade union organisations. Its purpose is to involve all partners in the industrial sector in the response to the challenge of environmental transition, respecting the balance of the three pillars of sustainable development (environmental, economic and social). According to the ETUC: "This new industrial policy in connection with the European Sustainable Development Strategy can only respect this balance and be effective if it allows union organisations and workers representative bodies ... to play an active role."³³

Taking Just Transition in the UK forward

Based on the arguments presented in this pamphlet and the policy approaches surveyed over the last few pages, it is possible to begin the process of developing a more comprehensive and detailed model of Just Transition appropriate to the policy-making context in the UK. It is proposed that this model is based on five key principles and seven key practical provisions.

Just Transition principles

1. Environmental transition and sustainable development

Environmental transition is both inevitable and desirable. Environmental degradation is one of the most serious threats facing humankind; all sections of society need to work together to prevent further damage to the planet's natural ecosystems. Ensuring that industries and services take account of their impact on natural ecosystems and resources – i.e. making sure that all practices, both new and old, are environmentally sustainable – is a key part of this commitment. Fundamentally, this must mean, as the Stern Report asserted, that the cost of emitting carbon accrues to the emitters themselves and is high enough to act as a disincentive.

It could also incentivise investment in research and development to find lower carbon processes such as is the case with the ULCOS programme (see page 23). ULCOS has a budget of €800m allocated to its priorities for 2007-13, with a total estimated budget over 15 years of €1.7b. Its objective is a clean, safe and sustainable iron and steel industry.³⁴

2. Representation and employee/trade union involvement

It is essential that all sections of society have their perspectives voiced, considered and defended in decision-making bodies dealing with environmental transition. This includes representation at a variety of levels, from seats on national policy-making fora, to places on more specific local negotiations, such as those surrounding environmentally-triggered plant closures.

Not only do workers have a right to representation on such bodies, but their support and involvement are valuable assets in the fight to halt environmental degradation. This is true in relation to both complicated problem-solving – for example, job, product and service design – and the implementation of more straightforward changes, such as simple energy saving measures. Employers

should encourage employee-involvement in environmental initiatives at work, including looking to resolve issues regarding the time and training that such participation may require.

3. *Stable employment and long-term planning*

A key element in ensuring a Just Transition is the long-term planning necessary to achieve stable employment. This does not just involve keeping individuals in work: it also includes preserving job equity and ensuring that pay, conditions and health and safety do not suffer as a result of the changes that occur.

Planning to achieve stable employment should aim to ensure that workers have the correct skills to take advantage of new employment patterns. It may also involve making strategic investments in green industries and technologies in order to kick-start their development and thereby create jobs.

4. *Social justice and a fair distribution of costs*

Just as support for environmental change is needed from all sections of society, so the costs of that change must fall proportionately on all sections. It is clearly unacceptable to force the cost of changes that benefit society as a whole disproportionately onto those least able to bear the costs. The costs of environmental transition need to be distributed fairly across society and between communities; existing inequalities must not be worsened by the process of transition. Indeed, the process of change should be regarded by policy makers as a positive opportunity to challenge existing inequalities and improve the lot of the least well-off.

Such an approach to environmental transition is not only ethical, it also enhances the political credibility of change and ensures that significant social forces do not stand in the way of a rapid shift to a low carbon economy.

5. *Government backing and a united purpose*

Just Transition relies on a high level of commitment from all relevant stakeholders – not least the Government, trade unions and employer federations. Rapid environmental transition is proving complex enough without additional disputes or lengthy negotiation over how to ensure such transition is just.

Just Transition provisions

1. *A national framework or mechanism to ensure long-term planning and representative decision-making on environmental transition*

The framework would outline how the Government planned to engage with trade unions and other key stakeholders on Just Transition. It could involve the creation of a new body or bodies, to plan for, and advise ministers on, the transition process. It may also stipulate consultation requirements for sub-national bodies and companies involved in environmental transition.

In this vein, it is unclear how the new Independent Committee on Climate Change will engage with stakeholders and whether it will have a specific task of ensuring that the Government's plans to meet its carbon cutting targets are socially just. Currently the outline remit only mentions that the Committee will consider the economic and social 'circumstances' of the Government's

policies. There is no specific mention of the impact on employment. It is vital that such issues are central given the extremely important role this committee will play in shaping and endorsing national policy on the environment.

In addition, the carbon budgeting process that will be at the heart of the Government's environment policy, and which the ICCC is primarily tasked with assessing, will clearly have a major impact on practices and employment across the UK as the Government uses the budgets to drive down carbon emissions. This will require considerable explanation at workplace and local community level making engagement between the ICCC, trade unions and other civil society bodies an absolute necessity.

The Government is also in the process of establishing a new carbon trading market to cover the 5,000 largest organisations in the UK. This Carbon Reduction Commitment (CRC) could prove very significant in the reduction of carbon emissions in the UK but to date there has been only limited emphasis on ensuring that engagement with workers in the chosen organisations is central to the scheme. In addition, the governance structures for the scheme are in the process of being developed. It is clearly important in the context of this pamphlet's arguments to involve in those structures all those who can ensure that the extra costs for employers of the CRC do not lead to unjust outcomes.

As was mentioned above the Government did establish a Commission to develop proposals on stimulating a green economy in the UK involving business, unions, and academic experts (CEMEP) but this was a temporary body which, in practice, had no ongoing and direct dialogue with ministers.

2. Education and training to aid sustainable employment

An energy skills and training strategy is taking shape following a commitment in the Energy White Paper (May 2007). In response to a request from the trade unions that an energy-wide review of skills should be undertaken, BERR is now co-ordinating a report from the Sector Skills Network, Government departments and others, including the TUC. As part of this, the Government has recognised the challenges of an ageing workforce and technological change across the energy sector. And, as mentioned above, DEFRA has established a Stakeholder Advisory Group to provide strategic guidance and advice on the skill requirements for a low-carbon resource efficient economy.

From a Just Transition perspective, key priorities must include the following:

- A genuine partnership approach to negotiating skills strategies that are fit for purpose. This would involve genuine social dialogue on skills at the sectoral level giving trade unions an equal say on the development of Sector Skills Agreements and also a new approach to developing collective negotiation on skills at the workplace level by making skills a core part of the negotiating agenda – and giving greater strategic direction to the work of ULRs.
- The Government also needs to give fresh consideration to the levers/mechanisms that could be put in place to boost skills provision.

- A reliable forecast of the UK's likely energy supply profile to 2015 and 2020, with its balance between coal and gas-fired generation, nuclear power and renewables. Transitional skills planning will be complicated without a clear idea of the likely shape of labour demand over this time period.
- Development of employer support for a new apprenticeships strategy, as replacing many of these skills requires lengthy apprenticeships of up to four years, or graduate training programmes of up to three years.
- A new diversity strategy, as the energy sector workforce is, at present, overwhelmingly white and male.
- Employers must also fully recognise the role of ULRs in directing co-workers towards new skills and work with ULRs and union officers in the industry to identify skills needs and shortages.

3. *Decent jobs*

Just Transition must not just be about creating 'green jobs' to meet the direct material needs of those workers affected by the shift to a low carbon economy, but must also be about ensuring those jobs are decent jobs. Environmental transition could not be described meaningfully as 'just' if the new jobs it provided could not ensure that work was productive and safe, delivered a fair income, provided security and equal opportunity in the workplace, provided social protection for families, and better prospects for personal development.

In emerging sectors of the economy, from renewable energy and turbine manufacture to the installation and maintenance of renewable energy devices, jobs that are both 'green' and 'decent' are emerging. In many cases, high quality, skilled employment is accompanied by good working conditions supported by union agreements. However, there are other growing sectors such as waste and recycling where occupational health risks and job insecurity are widespread.

Waste and recycling continues to be an expanding industry, currently employing over 170,000 people in waste collection, sorting, transfer, treatment and disposal activities. But, in 2004, according to a report³⁵ to the Health and Safety Executive Board, the industry had an accident rate four times the national average, and ten times the level of fatalities. The industry is typically made up of small to medium-sized operators, predominantly without union recognition agreements and therefore lacking a joint statutory health and safety committee. As well as the higher accident rates, employees commonly face exposure to long-term occupational health dangers, such as toxic chemicals in batteries and white goods sent for recycling.

Challenges for the industry – and the trade unions – include ensuring the development of an effective regulatory framework underpinned by collective bargaining arrangements and fair pay. This sector, and new emerging sectors, could then truly be defined as providing both green and decent jobs.

4. *Greening the workplace*

Following the success of initiatives such as the TUC's Greenworkplaces project, there should be an extension of schemes to help employers, employees and trade unions work together to set and meet environmental

targets. These goals could relate to simple environmental measures (e.g. basic energy saving practices) to more complicated schemes such as efforts to increase the sustainability of production processes.

A UK Just Transition scheme may also wish to create a more defined role for trade union 'green reps'. For example, in Spain, there are regions such as Navarre where the environmental delegate is designated by tripartite agreement. The appointed delegate may then visit businesses to help workers contribute to reducing or eliminating environmental impacts at their workplaces.

Other Spanish-based examples include company agreements recognising roving delegates (such as that used by the Michelin Company) and collective agreements, such as the General Chemical Industry Convention, which acknowledge the workers' right to nominate environmental delegates in enterprises.

Similar institutional support for the spread of green representatives at workplace level should be developed in the UK with the active support of the Government, trade unions, major employers and regional bodies.

In its response³⁶ to its consultation on the Carbon Reduction Commitment, the Government stated that it wished:

to emphasise the importance of employee engagement and training as a core part of a robust carbon management and reduction strategy. Government recognises that leading organisations support and enable staff to actively contribute to energy management through a variety of approaches. Such approaches include, for example, joint environmental committees involving employees; staff awareness and energy training initiatives; and – in those cases where a trade union is recognised for collective bargaining purposes – taking forward energy and environment issues within the scope of such agreements.

However, to expand the role of Green Workplaces in providing for a Just Transition, the Government should also offer legal rights to green reps to time off for training and environmental activity at work, and should ensure that engagement with employees is a central feature of those organisations included in the Carbon Reduction Commitment.

5. *Flexible transition packages for workers*

Support for workers whose jobs are lost or facing significant change due to environmental transition is crucial to any Just Transition programme. Although support packages would need to be flexible – in order to take account of the different situations in which workers find themselves – a general outline or timeline for such a scheme could be agreed. It might include:

- (1) consultation requirements: the right for workers to be involved in developing an appropriate support package;
- (2) efforts to find workers alternative employment;
- (3) education/training/re-skilling: provisions to provide individuals with advice, funding and education to support them in their search for employment or to support the changing nature of their jobs;

- (4) compensation to cover relocation costs (where relevant) or living costs for those facing change.

Achieving such a programme of support packages will require significant inter-departmental working for the Government with particular involvement from the Departments for Work and Pensions, for Innovation, Universities and Skills, and for Enterprise and Regulatory Reform. Only through such joint working can it be ensured that any workers who find their positions made more precarious by environmental change are able to draw seamlessly on the social security system, training networks and employers to guarantee that they do not suffer hardship.

There will also be a key role for regional development agencies. RDAs seek to help realise sustainable economic development of their regions and prepare their regions for a low carbon future. In particular, they bring regional leadership and focus to decisions and plans that address climate change. The RDAs lead a wide range of initiatives to secure environmental and social benefits together with economic development for regional communities.

Typical examples of innovative approaches to climate change involving business and unions include:

- Yorkshire Forward's carbon capture and storage partnership. The partners include a consortium of 25 energy and industrial companies, local agencies, the TUC and unions. The project is planning a shared pipeline network to collect and store about 56 million tonnes of CO₂ annually from major energy and industrial plants in Humberside and the Aire Valley. The project will make a massive contribution to the UK's climate change strategy and help secure a green future for this industrial region through the development of new low carbon technology.
- The South West RDA's support for a TUC-led Green Workplaces partnership in the region. The three-year initiative will seek to develop joint energy saving and green travel projects across a range of sectors, led by workplace environmental reps, and supported by a range of education and training initiatives provided by the TUC and affiliates.

However, there is concern that the Government's current review of sub-national (i.e. regional) governance will leave a vacuum once the regional assemblies are abolished. In the regions, business and unions will no longer have a direct voice in regional strategies, a gap which needs filling if civil society bodies, including trade unions, are to play an active part in regional climate change and Just Transition strategies.

6. *Support for communities*

Initiatives need to be put in place to support communities badly affected by environment-related job losses. It is likely that some areas will suffer more than others because of the geographically concentrated nature of many energy-intensive industries. This is obviously a particular concern for many areas already badly affected by the industrial restructuring of the last 30 years. Responsibility for a clearer understanding of which areas need to be monitored and the likely impacts of environmental transition on those areas

must fall to the Department for Communities and Local Government, the relevant local authorities and regional development agencies, employers bodies such as the Engineering Employers Federation, and trade unions with high density of membership in the communities.

8. *Funding*

Many elements of a Just Transition programme, while paying for themselves in the long-term, will require an initial – or indeed an ongoing – investment to make them possible. An obvious source of funding is the massive revenue stream due to flow to the Exchequer from the auctioning of allowances under the EU Emissions Trading Scheme. Sections above also included several suggestions from abroad about how such schemes might be funded. As the debate about green taxes and carbon markets develops, and as policy is shaped in response to these debates, it is important that policy makers remain aware of the need to identify funding streams from these initiatives to guarantee job security and protection of livelihoods for those who may face any detriment and uncertainty from the transition to a low carbon economy.

9. *Monitoring and further research*

The lack of research regarding many areas of environmental transition needs to be addressed. In particular, information needs to be collated on the UK skills base required in a low carbon economy; the effect that the extra costs of environmental regulation is likely to have on pay, conditions and levels of employment; the impact of environmental transition on job equity; and the regional impact of environmental policies on jobs and skills. Programmes also need to be put in place to monitor the effect of measures such as green taxes in order to ensure that these do not impact disproportionately on lower income groups.

The Government's recent Commission on the economics of environmental transition (CEMEP), mentioned above, was helpful in determining how the UK could ensure that it takes full advantage of the emergence of the new markets in climate change mitigation. However, it did not look in any great detail at issues of social justice as part of this shift. It is vital that the Government commissions significant research work to address the issues

Conclusion

There are no 'ifs' about the threat of climate change and the challenge it poses to the global community. At an international level, the ITUC has embraced the challenge in calls for a response that reflects the need for commitments from nations both North and South. Drawing on experience from around the globe, the ITUC argues that the shift to a low carbon economy will mean massive changes in the way we produce goods and services, in travel and transport, and in the pattern of future investment.

For the TUC and other unions and union federations across the world, a Just Transition response to the challenge of climate change argues that citizens' engagement is the key to unlocking rapid transition based on principles of equity and social justice. This explains the central importance of securing union and employee involvement at all levels, from the national discussions with employers and government, down to workplace discussions between management and employees. The Greenworkplace projects are demonstrating the enthusiasm, indeed hunger, for this kind of joint activity with employers. Here, there are new opportunities to capture the enthusiasm and encourage the intelligent engagement of people in the challenge of climate change.

The Government must respond proactively to the agenda outlined in this pamphlet and make Just Transition a centrepiece of their policies on the environment.

Bibliography

- Bennett, D. (2007) 'Labour and the environment at the Canadian Labour Congress – the story of the convergence' *Just Labour: A Canadian Journal of Work and Society*, Volume 10, Spring
- Canadian Labour Congress (2000) *Just Transition for workers During Environmental Change*, viewed at <http://canadianlabour.ca/updir/justransen.pdf> (17/6/07)
- The Carbon Trust (2004), *CO₂ emissions trading: How will it affect UK industry?*
- Commission on Environmental Markets and Economic Performance (2007), *Final Report*, BERR/DIUS/
- DEFRA (2008) Implementation of the CRC: report of public consultation, DEFRA
- Dupressoir, S. & Van Der Hieden, S. (2004) *Climate Change. Avenues for Trade Union Action*, European Trade Union Confederation (ETUC) www.etuc.org/IMG/pdf/GuideKyoto-Text-ENG.pdf
- Dupressoir, S. et al. (2007) *Climate Change and Employment*, Brussels: European Trade Union Confederation www.tradeunionpress.eu/Web/EN/Activities/Environment/Studyclimatechange/rapport.pdf
- European Trade Union Confederation (2007) *Climate Change and Employment*, viewed at www.etuc.org/3356?var_recherche=climate%20change%20
- Federal Environment Ministry (2006a) *Ecological Industrial Policy. Memorandum for a "New Deal" for the economy, environment and employment*
- Federal Environment Ministry (2006b) *Renewable energy: employment effects*
- Federal Environment Ministry (2007) *Renewable energies create work for 235,000 people*, press release 245/07
- Gereluk, W. & Royer, L. (2001) *Sustainable Development of the Global Economy: A Trade Union Perspective*, www.ilo.org/public/english/protection/ses/download/docs/sustain.pdf
- Goodstein, E. (2002) *Economics and the Environment*, 4th ed. Hoboken, NJ: Wiley
- Health and Safety Executive Board (2008), *An update on health and safety performance of the waste and recycling industry*, HSE
- International Confederation of Free Trade Unions/European Trade Union Confederation/Trade Union Advisory Committee. (2005) *Preventing Disruption and Enhancing Community Cohesion Social and Employment Transition for Climate*, viewed at www.global-unions.org/pdf/ohsewpP_8h.EN.pdf
- ICFTU/ETUC/TUAC (2005) *Social & Employment Transition for Climate Change*, viewed at www.global-unions.org/pdf/ohsewpP_8h.EN.pdf
- ITUC, ETUC, TUAC (2007) *Trade Union Statement to COP13iv, United Nations Framework Convention on Climate Change, Bali, Indonesia* www.global-unions.org/pdf/ohsewpP_12Bc.EN.pdf
- Kazis, R. & Grossman, R. (1982) *Fear at work: job blackmail, labor, and the environment*, New York: Pilgrim Press.
- King, C. (2005) *A Fair and Just Transition - Research report for Greening the Workplace*, viewed at www.unepe.org/labour_environment/TUAssembly/ref_docs/TUSDAC_Greening_the_Workplace_EN.pdf
- Mannix, S. & Harris, M. (1997) , *An interview with Tony Mazzocchi*, ZMag, February [interview 3 July 1996] www.zmag.org/ZMag/articles/feb97maz.htm
- Mazzocchi, T. (2000) *Workers Must Be Compensated Fully If Jobs Are Lost for Environmental Reasons — We Call This 'A Just Transition'*, Text of Speech at Green Party Convention, June www.laborstandard.org/Election/Mazzocchi_Speech_at_Green_Convention.htm

Moberg, D. (1999) *Greens and Labor: it's a coalition that gives corporate polluter fits*, viewed at www.sierraclub.org/sierra/199901/unions.asp

Morales, J. (2006) *Labour and Environment: Some Experiences of Spanish Trade Unions in Environment*, Madrid: Confederación Sindical de Comisiones Obreras

Nieto, J. (2007) 'The Trade Union Movement and Environmental Participation: Shaping the Change, Renewing Trade Unionism', in Smith, J. (ed). (2007) *Labour and the Environment: a Natural Synergy*, Malta: United Nations Environmental Programme, viewed at www.sustainlabour.org/dmdocuments/EN90-2007.pdf

Nussbaumer, P., Belén Sánchez, A. & Riechmann, J. (2007) *Climate Change and Employment in Europe*, 'Kyoto' section Country Report: Spain. www.etuc.org/IMG/pdf/Spain_CountryReport_Final.pdf

Obach, B. (2002) 'Labor-Environmental Relations: An Analysis of the Relationship Between Labor Unions and Environmentalists', *Social Science Quarterly*, Vol 83 No. 1, March pp.82-100

Obach, B. (2004) *Labor and the Environmental Movement: the Quest for Common Ground*, Cambridge, Mass: MIT Press

Oil, Chemical and Atomic Workers International Union (OCAW). (1998a) 'Chemical Union Plans Just Transition From Hazardous to Safer Communities', *Workers' Health International Newsletter*, issue 53, January-June [originally OCAW Reporter, November-December 1997]

OCAW. (1998b) *Resolution on Just Transition Adopted 19 August 1997*, OCAW

Olsen, L. (2007) 'Participating At All Levels, in Smith, J. (ed). (2007) *Labour and the Environment: a Natural Synergy*, Malta: United Nations Environmental Programme, viewed at www.sustainlabour.org/dmdocuments/EN90-2007.pdf

Pope, C. & Wages, R. (2001) 'Green Growth: Agenda for a Just Transition to a Sustainable Economy', *The Next Agenda* 28 February, viewed at www.ourfuture.org/projects/next_agenda/ch9.cfm

Poschen, P. & Khazri, O. (2007) 'Labour and the Environment: Common Perspectives on Specific Issues', in Smith ed 2007

Renner, M. (2000) *Working for the Environment: A Growing Source of Jobs*, *Worldwatch Paper #152*, September

Scottish Executive, (2005) *Going For Green Growth: A Green Jobs Strategy for Scotland* viewed at www.scotland.gov.uk/Resource/Doc/54357/0013160.pdf

Smith, J. (ed). (2007) *Labour and the Environment: a Natural Synergy*, Malta: United Nations Environmental Programme, viewed at www.sustainlabour.org/dmdocuments/EN90-2007.pdf

The Smith Institute (2006), *The Green Shift: Environmental Policies to Match a Changing Public Climate*, The Smith Institute

Tindale, S. (1996) *Jobs and the environment*, Socialist Environment and Resources Association.

Trades Union Congress (2006) *First Steps to a Greener Workplace: A TUC Guide*, TUC/Carbon Trust.

TUC (2006) *Trade Union Statement to the St. Petersburg Summit*, viewed at www.tuc.org.uk/international/tuc-12071-f0.cfm?theme=globalisation

TUC (2007), *Report on TUC Greenworkplace Project 2006-07*, TUC

TUSDAC (2007) *Workplace environmental representatives - their Facilities and Facility Time*
TUSDAC response to the DTI Facilities consultation, TUC.

Transport and General Workers' Union (1991) *ENACT: Environmental Charter for the TGWU*, TGWU – TGWU.

United Steelworkers of Canada. (2006) *Securing Our Children's World*, viewed at www.usw.ca/program/adminlinks/docs/sWorld.pdf

Wages, R. (1998) 'Protecting the Environment and Protecting Jobs is the Just Way To Go', *Workers' Health International Newsletter*, issue 54, July-December [originally NYCOSH Safety Rep, summer 1998] viewed at www.hazards.org/WHIN54justtransition.pdf

Young, J. (2003) 'Green-Collar Workers', *Sierra Magazine*, July/August, viewed at www.sierraclub.org/sierra/200307/labor.asp

Notes

- 1 Pope and Wages 2001; Obach 2004, p. 33; Dupressoir p. 169, p. 142; Obach 2004 p.10
- 2 ETUC 2007
- 3 The Carbon Trust 2004
- 4 Nussbaumer et al. 2007
- 5 ETUC 2007; ICFTU/ETUC/TUAC 2005; Dupressoir 2007; Goodstein 2002; Renner 2000
- 6 Obach 2004; Goodstein 2002
- 7 Bennett 2007
- 8 The Smith Institute 2006
- 9 Commission on Environmental Markets and Economic Performance 2007.
- 10 Sources: Mazzocchi in Mannix and Harris 1997; Moberg 1999
- 11 TUC 2007
- 12 ibid
- 13 TUSDAC (2007)
- 14 ibid.
- 15 Young 2003
- 16 ibid.
- 17 ibid.
- 18 ibid.
- 19 Federal Environment Ministry 2006a; Federal Environment Ministry 2006b; Federal Environment Ministry 2007; Commission on Environmental markets and Economic performance 2007
- 20 Kazis and Grossman 1982 p.226
- 21 ibid.
- 22 ibid.
- 23 ibid.
- 24 OCAW 1998a
- 25 OCAW 1998b
- 26 Wages 1998a
- 27 Obach 2004; Goodstein 2002
- 28 USWC 2006
- 29 Canadian Labour Congress 2000
- 30 Sources: Nieto in Smith 2007; Morales 2006
- 31 ibid.
- 32 ITUC, ETUC, TUAC 2007
- 33 ETUC 2007
- 34 ibid.
- 35 HSE Board 2008
- 36 DEFRA 2008.

Is social justice being ignored in the rush to cut carbon emissions? Could environmental transition herald another era of painful industrial restructuring in the UK? *A Green and Fair Future* argues that we must start planning now if we are to have a just transition to a low carbon economy.



Trades Union Congress
Congress House
Great Russell Street
London WC1B 3LS

www.tuc.org.uk

© 2008 TUC
ISBN: 978 1 85006 831 0