



Wales
TUC
Cymru

A green recovery and a just transition

A Wales TUC report

About us

The Wales TUC is the voice of Wales at work. With 48 member unions, we represent nearly 400,000 workers. We campaign for a fair deal at work and for social justice at home and abroad. We want Wales to become a fair work nation.



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This statement

This statement sets out what we believe needs to happen to help build a green recovery from the Covid-19 crisis and deliver a just transition to a net-zero Wales.

Building the recovery from Coronavirus represents a once in a generation challenge. It must be used as an opportunity to take the urgent action needed to build a greener and fairer economy in Wales, one that protects jobs, our health and the planet. And workers must have a central voice in planning the recovery and the transition to a net-zero economy to ensure this happens.

The trade union movement in Wales supports the fight to protect our planet for future generations and is ready to rise to the challenge of the climate and environmental crisis. And we stand up for those workers whose jobs are at risk if we don't take action to make the recovery and transition to a net-zero economy a just one.

Wales needs a massive economic stimulus that will protect jobs and boost the economy towards a green recovery. This should include:

- A UK government funded job guarantee scheme which delivers good quality jobs and includes decarbonisation as part of its criteria. This should be managed and delivered by Welsh Government in social partnership with trade unions and employers.
- Investment to support industries that need to transition to lower-carbon models. For example, support for research and development for greener steel.
- Investment to maximise Wales' opportunities to develop new and emerging green industries. For example, tidal, marine and hydrogen energy.

- A national retrofitting programme to decarbonise Wales' housing stock.
- Urgent additional funding to fast-track low carbon travel infrastructure development. For example, projects such as rail improvements (e.g. the metro and Swansea line electrification) and active travel (pop-up cycling and walking routes in towns and cities).
- Funding to improve access to broadband, digital hardware, software and digital skills to increase capacity for home working and reduce the need for work-related travel
- Development and integration of local supply chains to benefit communities and the environment, securing better jobs closer to home.

We must also learn from the new ways of working that have developed as a necessity because of the lockdown. Where these have co-benefits for workers and the environment, these should be able to continue. For example, more widespread homeworking could help people save time on commuting, have better work-life balance and reduce harmful air pollution.

The Welsh Government has [reaffirmed its commitment to social, economic and climate justice as part of the post-Covid recovery](#). The Wales TUC welcomes this statement, and its ongoing commitment [to deliver a Fair Work Wales through social partnership](#).

We believe that trade unions, employers, government and civil society working together will be the catalyst for achieving a greener, fairer recovery and a pathway to a net-zero Wales. Social partnership and the implementation of fair work will be central to delivering a transition that is truly just.



This statement sets out a five-point plan to deliver a just transition in Wales.

Welsh trade unions welcome action from the Welsh Government to tackle the climate emergency. But we also recognise that there are some levers that lie outside of the Welsh Government's powers.

Wales' financial resources are limited by the constraints of the funding settlement from UK government. Although it now has additional borrowing powers, these are nowhere near the order of magnitude that will be required to fund the transition. We support calls for Wales to be given further flexibility in its powers to borrow to

invest in its climate priorities. Nevertheless, the power to reduce emissions in different policy areas will continue to be a mixture of fully devolved, partly devolved and others remaining reserved to Westminster.

Wales will not be able to deliver this transition without a significant increase in funding, investment and policy changes from the UK government. The Wales TUC echoes calls that the TUC has made in its [Just Transition statement](#). This calls on UK government to provide a clear and funded pathway to net-zero that reduces regional inequalities and gives workers a central voice in decisions that affect them.

The trade union movement in Wales supports the fight to protect our planet for future generations and is ready to rise to the challenge of the climate and environmental crisis.

The need for a just transition in Wales

Trade unions in Wales recognise the overwhelming scientific evidence showing the need to decarbonise our economy.

In 2018, the Intergovernmental Panel on Climate Change (IPCC) warned that we have just 12 years to limit the rise in global temperatures to 1.5 degrees. This was the ambition of the 2015 Paris Agreement, to prevent the worst effects of climate change.

The international trade union movement has called for a 'just transition' to a greener economy, where new jobs that are just as good in terms of pay, skills, pensions and trade union recognition replace those that are lost. Following union pressure, the concept of the just transition was included in the [preamble to the 2015 Paris Agreement](#) and in the [Silesia Declaration](#) at the climate talks in 2018.

Thanks to the actions of Greta Thunberg's schools strike for climate movement, there is now widespread recognition of the scale of the climate emergency.

In April 2019, the Senedd became the first parliament to declare a climate emergency. The Welsh Government has stated its ambition to reach net-zero carbon emissions by 2050 and to make the Welsh public sector carbon neutral by 2030.

With the framework of the [Well-being of Future Generations Act](#), Wales has established a unique approach by placing a well-being and sustainable development duty in the decision making and actions of public bodies in Wales. Tackling climate change is central to the Act and integral to its well-being goals. The promotion of 'decent work' is also a key part of the legislation.

Under the powers of the [Environment \(Wales\) Act](#), the Welsh Government had already put in place emission reduction targets and five-yearly carbon

budgets. These were based on its original target of a reduction of at least 80 per cent in greenhouse gas emissions by 2050. It has also published its [first low-carbon delivery plan](#) to set out the actions it intends to take to cut emissions and support the growth of a low-carbon economy.

Net-zero will be more challenging for Wales because it has a greater share of 'harder to reduce' emissions compared to other parts of the UK. Wales has a higher share of energy-intensive industries (such as steel manufacture, petroleum refining and cement manufacture), more solid wall and off-grid homes and more small scale farms. We also have fewer sites suitable for carbon capture and storage.

In Wales, around one in five workers are in 'climate critical' sectors that are likely to be highly impacted by the transition (manufacturing, construction, transport and energy). It is these industries that will be key to achieving the transition.

For example, our steel industry is crucial to the whole UK economy and many of the new, greener technologies require steel (e.g. wind turbines). While some sectors such as power generation and waste have a relatively clear path to reduce emissions, others, such as the steel industry, face more significant challenges. There is an overwhelming case for additional public investment to support research and development into lower-carbon, greener steel.

Change cannot be left solely to the market. Market forces will not deliver the solution to this crisis. There is a risk of energy intensive jobs and emissions simply being exported overseas where costs are less, and environmental and labour standards are lower. This could have massive economic and social consequences in Wales in terms of jobs, skills and knowledge lost and communities destroyed. We don't want to see a repeat of the mistakes of

the past, when communities were left behind by industrial change.

But it is not just the climate critical sectors. The scale of the transition means it will affect workers across the whole economy. Workers across all sectors will be affected by changes and will be part of the efforts to decarbonise and move Wales to a more sustainable, zero-waste, circular economy. And trade union members have the knowledge and ideas to help deliver the changes needed. Their voices must be heard at a workplace, regional, sectoral and national level to ensure this happens.

As a movement, we also recognise the equality and health impacts of climate change. Climate and environmental breakdown will increase the risk posed by threats such as extreme weather and the incidence of new viruses. And just as the Coronavirus crisis has amplified existing inequalities, climate

change is also likely hit the poorest in our society hardest. We must take action now to ensure that the poorest and most vulnerable are protected.

And of course, it is also about global climate justice. Climate change affects our brothers and sisters – especially our sisters – across the world. Globally, an estimated 17.2 million people were displaced from their homes because of climate change-related disasters in 2018 alone. UN figures show that 80 per cent of those displaced by climate change are women.

The Paris Agreement identifies specific provision for the empowerment of women, recognising that they are disproportionately impacted by climate change. A just transition must provide fairness and overcome injustices experienced by all workers, male and female, young and old, black and white, in the global north and south.



A five-point plan for a just transition in Wales:

1. A clear and funded pathway to a green recovery and a net-zero economy

We need a massive economic stimulus to kick start a green recovery, protect and create jobs and deliver the transition to net-zero. The sooner that this investment happens, the more likely it is that we can reap the benefits from the opportunities that exist in the transition and recover from the economic damage caused by coronavirus.

We are calling on the UK government to fund a job guarantee scheme which delivers good quality jobs and includes decarbonisation as part of its criteria. In Wales, this should be managed and delivered by Welsh Government in social partnership with trade unions and employers.

The Welsh Government's recent commitments to increase spending on areas such as sustainable travel, the decarbonisation of Welsh housing stock and new capital funding for climate and environment, shows that things are moving in the right direction. Initiatives such as the new metro systems and the establishment of Transport for Wales will also play a key role in creating better infrastructure and reducing transport emissions.

But with the urgent need to build a recovery, now is the time to go further. Green stimulus projects could offer huge short and longer-term benefits in terms of climate and returns for the economy, as well as providing opportunities for socially distanced working and improvements for health and well-being. For example, a national retrofitting programme to decarbonise Wales' housing stock and projects to set up 'pop-up' cycle and walking routes in cities could be started quickly and offer immediate benefits.

Investment in areas such as rail improvements, charging infrastructure for low emission vehicles and renewable energy projects (such as tidal, marine, wind and hydrogen), have the potential to create thousands of good quality jobs in Wales and tackle

climate change. Getting these projects in motion could help with the economic recovery, and in the longer-term address some of the key barriers to well-being that blight people's lives, such as harmful air pollution and fuel poverty.

We need an investment fund to support industries that need to transition to lower-carbon models and cleaner technology, for example support for research and development for greener steel. We also need increased funding to improve access to broadband, digital hardware, software and digital skills to increase capacity for flexible working and reduce the need for work-related travel.

Investment in the transition should also be used to support the development and integration of local supply chains. This could benefit communities and the environment, reducing transport emissions and securing better jobs closer to home.

The Welsh Government has established the Development Banc of Wales. It has a strategic focus on supporting businesses and safeguarding jobs in Wales. Development banks can play a leadership role in the transition by raising social and

environmental standards and supporting key regions and industrial clusters. The Banc is already providing funding for energy efficiency and renewables and could play an important role in supporting a just transition and promoting fair work standards.

Above all, Wales needs much greater funding and investment from the UK government. Even before the impact of the Coronavirus, funding the transition against a backdrop of ten years of damaging UK government austerity, increased demands on our NHS and the constraints of the block grant from Westminster looked like an insurmountable task.

The Wales TUC echoes the TUC's calls for the UK government to put in the investment needed to deliver the transition through progressive taxation. Wales can then receive its fair share of this investment.

The UK Committee on Climate Change estimated the cost of transitioning to a 95 per cent reduction in carbon emissions in Wales by 2050 to be around £30 billion (split between the UK and Welsh Governments, businesses, public sector and people).

Much greater investment from the UK government and changes to UK industrial policy are vital to support our key carbon intensive industries in Wales to help them meet the challenges and opportunities of the transition. We need an industrial strategy and policy environment in the UK that supports low-carbon business investment and research and development. The UK's regulatory framework also needs to support a just transition.

The UK government must now end decades of historic underinvestment and reverse its past failures to support large infrastructure projects in Wales. Large-scale projects utilising marine and tidal energy and projects such as the electrification of the rail line between Cardiff and Swansea could



bring huge benefits for Wales in terms of jobs and the environment. And they have never been more desperately needed than now.

Post-Brexit, we also want to see a commitment from the UK government that Wales will not lose any funding when European Structural Funds come to an end after the transition period. The Shared Prosperity Fund must fully respect the devolution settlement and the Welsh Government should have the power to decide how funds are spent. The Welsh Government has already signalled its intention to earmark part of this funding towards the transition to a net-zero economy.

Wales needs the UK government to provide the Welsh Government with the resources it needs to deliver the transition and kick start a green recovery. We need a plan from Welsh Government that sets out what they would do with additional funds. And we need clarity about how Welsh Government will align its carbon and financial budgets in future, to provide greater certainty about the path to transition in the longer term.

2. A central voice – Just Transition must be an integral part of social partnership

The workers and unions most affected by the transition must have a central voice in decision making on industrial policy at local, regional and national levels.

Social partnership is a way of working where government, trade unions and employers come together to ensure that workers are actively involved in making the public policy decisions that will have an impact on their working lives. It's based on the principle that workers, through their unions, should be at the table when policy decisions are being made that are going to affect them.

European countries such as Germany have long had successful social partnership arrangements. In countries where social partnership is well established it has helped to tackle inequality, create the conditions

for fairer working practices and led to the design and implementation of more effective solutions to industrial issues, especially at times of change.

The Welsh Government's proposed Climate Just Advisory Group must recognise the mandate of those workers who are most affected by the transition to have a say in how it happens. It must include the workers, unions, industries and communities affected by the transition as well as those who have the expertise on how to decarbonise.

To inform the work of this group, the Welsh Government should commission a study of the social impacts of the transition, including the effects on different regions and communities and any necessary mitigation measures.



We have welcomed the Welsh Government's support for a Fair Work Wales and their plans to strengthen social partnership arrangements in Wales through the proposed new Social Partnership Bill.

The Bill is based on the recommendations from the Fair Work Commission's report, which recommended creating a statutory Social Partnership Council. The Wales TUC wants to see the just transition agenda mainstreamed into the work of the Social Partnership Council, with the Climate Just Advisory Group acting in an advisory role to the Council.

Just transition discussions should also be integrated in any future sectoral bargaining social partnership structures such as those which were included in the Fair Work Commission recommendations.



Social partnership is a way of working where government, trade unions and employers come together to ensure workers are actively involved in making the public policy decisions that will have an impact on their working lives.

Trade unions in Wales want to see all new jobs created in the recovery and by the transition to a net-zero economy offer fair work.

3. Welsh Government must use all levers to promote Fair Work to ensure new jobs are good jobs

Trade unions in Wales want to see all new jobs created in the recovery and by the transition to a net-zero-economy offer fair work. Our ambition is that every new job created right across the economy is of at least an equivalent standard to those that workers in many industrial sectors have now, with trade union recognition, decent pay, terms and conditions, high standards of health and safety and a fair pension.

The Wales TUC welcomes the Welsh Government's commitment to use all available levers to make Wales a Fair Work Nation. [The Fair Work Wales report](#) recommended that Fair Work Wales Standard(s) should be used as criteria for access to public funding.

The Welsh Government plans to introduce a Social Partnership Act and has committed to incorporating the Fair Work Commission's definition of fair work into the well-being objectives under the Well-being of Future Generations Act.

It has also committed to adopting the recommendations of the Fair Work Wales report to integrate these six fair work characteristics into the Economic Contract and the Ethical Employment in Supply Chains Code of Practice:

- Fair reward
- Employee voice and collective representation
- Security and flexibility
- Opportunity for access, growth and progression
- Safe, healthy and inclusive working environment
- Legal rights respected and given substantive effect

If trade unions' just transition demands for new jobs are to be met, the Welsh Government must fully implement the Fair Work Commission's recommendations and ensure that any new green jobs created by organisations receiving public funding meet the Fair Work Wales Standard(s). This includes any organisations receiving funding as part of any post-Covid recovery job guarantee schemes.

The Economic Contract needs to be strengthened and its reach expanded to ensure that financial support from Welsh Government is only offered on a 'something for something' basis with organisations being expected to demonstrate that they fully align their practices with Fair Work Wales Standard(s) and the decarbonisation agenda. The importance of offering fair work needs to be emphasised at an early stage of all new projects. Greater transparency and ongoing monitoring will be needed to ensure that fair work standards are upheld in practice.

Across Wales and the UK as a whole, we know that too many people across the wider economy don't enjoy fair work at present. And there are growing concerns, often linked to green jobs but also to increasing automation and digitisation, about the quality of new jobs that are being created. Often these jobs are less likely to be in companies that recognise unions. This does not meet the test of a just transition.

The UK government's current proposals to establish 'free ports' (ports which sit outside of the normal rules on taxes, tariffs and regulation) could also undermine efforts to ensure that new, green jobs offer fair work. Milford Haven has been identified as a key area for the development of the marine energy sector in Wales. It has also been proposed as one of the sites for a free port. Workers in free ports are likely to have less protection and there is concern that free ports could create a 'race to the bottom' on workers' rights. The UK government's free ports



advisory panel has no union representation.

The 'green economy' (and beyond) must recognise unions and bargain with them to ensure good quality jobs with terms and conditions at least as good as those in energy, transitioning and carbon-intensive sectors.

The Welsh Government and UK government should focus on creating jobs where they are needed

most. The UK government must deliver industrial policy which supports the retention of a strong manufacturing base across the UK and must not simply export carbon-intensive jobs overseas.

4. Employers must put workers at the heart of their transition plans

The workers and communities across Wales affected by the transition to net-zero must have a central voice in how the transition happens. The most practical place for this to start is at a workplace level, by employers working with trade unions.

As we have seen during the coronavirus crisis, trade unions remain the best way to ensure that workers' interests are protected through any period of industrial change.

All organisations affected by the transition should be working with unions to develop a transition plan and put in place transition agreements. These should be agreed with unions and cover a range of issues, including:

- the overall number of jobs or workers employed
- pay and conditions
- job security
- working time
- job descriptions
- duties assigned to job roles
- training and skills
- apprenticeships
- retirement policy
- monitoring and surveillance
- performance management
- health and safety implications
- equal opportunities
- facility time for trade union environmental/green reps

Any cost savings from industrial restructuring should be reinvested into areas that promote and provide more and better jobs. New skills or responsibilities should be recognised through negotiated pay rises.

Workers have a huge amount of knowledge that can help organisations with transition. A company or organisation moving from a fossil-fuel based model to a lower-carbon energy system, or a whole sector transitioning towards cleaner technologies, will have to adapt specific processes. And it's often the workers on the ground who are most likely to understand how to do this effectively.



The role of the green rep is to ensure that efforts to reduce an organisation's environmental impact are developed collaboratively and in full consultation with workers.

It makes business sense to give workers a stronger voice and higher visibility in such circumstances. Companies should work with unions to identify and deliver best environmental practice at workplace level. This can be achieved by recognising and giving facility time to trade union 'green' or environmental reps, or by giving additional facility time to reps who wish to take this work on as an additional aspect of their role.

The role of the green rep is to ensure that efforts to reduce an organisation's environmental impact are developed collaboratively and in full consultation with workers. This is often the best way of identifying changes that need to be made and ensuring that they are fair, fit for purpose and have the full support of people in the workplace.

The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other to prevent persistent problems including climate change. Providing facility time to green reps in the devolved public sector would help public bodies to deliver on this goal. The Welsh Government has committed to making the Welsh public sector carbon neutral by 2030 and if this ambition is to succeed it is important that unions are fully involved in the development of new workplace environmental measures.



Investment in skills will need to increase significantly if we are to keep pace with the challenges of transitioning to a net-zero economy.

5. Every worker should have access to funded training to improve their skills

Workers in energy intensive sectors, as well as those developing transitioning technologies, have the skills and expertise that will be required to help these sectors transition to lower carbon models, and it's vital that these skills are maintained. Investing in good, new, sustainable jobs while helping workers in carbon intensive industries transition to those jobs in the wider economy will ensure that skills and experience are not lost.

We will also need to develop new skills across the workforce for new types of role. Through programmes such as the Wales Union Learning Fund, Personal Learning Accounts and ReAct, the Welsh Government has shown a consistent commitment to investing in skills. But investment in skills will need to increase significantly if we are to keep pace with the challenges of transitioning to a net-zero economy.

To be most effective, funding should be targeted using a tripartite approach through social partnership, to ensure the skills system is industry led, rather than employer led. Access to skills for workers must be widened, in line with the Fair Work Report recommendations.

In its low carbon delivery plan, the Welsh Government says that the Regional Skills Partnerships (RSPs) have a key role in producing regional intelligence on skills needs. It says it will work closely with RSPs to identify low carbon related skills needs at a regional level working with employers. It says that RSPs can: "review heat-intensive industrial sectors at a regional level and make recommendations to help reduce GHG emissions and improve energy efficiency. They also have a role to review skills gaps and shortages to help ensure a supply of suitably skilled candidates to meet the demand for skills in these sectors."

Structured input from unions into the RSPs

is therefore vital to ensure that the workers' perspective has a central voice in these discussions at RSP board level and in relevant sub-groups. We also want to see the recommendations on reducing emissions and improving energy efficiency, and the skills intelligence from the RSPs being shared with the Climate Just Advisory Group and wider social partnership structures, to inform their work.

Apprenticeships have long been the best guarantor of skills excellence in industry. The trade union role in agreeing the content and quality of apprenticeships has ensured consistent high standards. The Regional Skills Partnerships (RSPs) are also used to inform the prioritisation of apprenticeship delivery and regional priorities specifically around the decarbonisation agenda. Again, structured input from unions into the RSPs is vital to ensure that the workers' perspective on apprenticeships is heard. This needs to be fed into social partnership structures to ensure that unions are more heavily involved in the development of apprenticeships and that quality is made a priority.

The apprenticeships system from development to delivery is now autonomous to Wales. But the introduction of the levy vouchers system in England has caused some complications with the system. The Welsh Government should work with social partners and industry to ensure that the development of new apprenticeship frameworks in Wales is responsive to the needs of the transition and is not hampered by the lower economies of scale in Wales due to the smaller number of learners.

The Wales TUC believes an increase in supply-chain focused shared apprenticeship schemes will be needed to ensure the demands of the transition can be met through supply chains. We need to see extra support for emerging regional employer clusters where shared apprenticeship schemes would be most effective in supporting emerging transition



sectors where there are more new start-ups and SMEs.

Welsh Government should continue to support all-age apprenticeships. Access to good quality apprenticeships for workers of all ages will be vital during the transition. And we need to see more work linking schools with the post-16 sector, to encourage more young people to take up apprenticeships in transition related areas. We also need more support for the development of new higher apprenticeships and vocational qualifications where these are needed.

We support the pilot Personal Learning Account (PLA) scheme that the Welsh Government has established and would like to see this scheme extended to widen access to skills across the workforce in line with the Fair Work Wales report recommendations. A first step would be extending the PLA scheme so that it is more responsive to the specific needs of those in transitional jobs and sectors.

Responsive and extended funding of the adult education sector is essential if the demand for new skills as a result of the move to a greener economy is to be met. A well-funded, targeted 'skills for transition' fund should be established, which must be free to workers and aimed at preparing workers

for the transition to net-zero. This could work alongside and maximise the impact of other funding streams, including WULF, ReAct and the Personal Learning Accounts.

We will need improvements to advice and guidance services for working people, such as a job matching service, linked to skills funding, to help workers move to new and emerging green jobs. The People Exchange Cymru scheme, which was originally set up to help workers in the public sector at risk of redundancy to transfer to other roles within the Welsh public sector could be used as a model for a broader job matching service.

Alongside classroom-based learning, experience is also important. This is particularly true as processes in some energy sector workplaces can happen infrequently. The value of experience in workers transferring to new jobs should be recognised.

Funding to improve access to broadband, digital hardware, software and digital skills will be vital to ensure that training is accessible and flexible to meet the needs of all working people.

And those who have left work need the support of a decent social security system to ensure their living costs are met as they train.

Trade unions have long fought for their members jobs, rights and pay and an economy that delivers fair work for all who need it. There is compelling evidence that unions are good for workers and good for our economy.

We believe that working together in social partnership offers the best chance of a just transition, to deliver on the principles set out in this statement. We must meet the challenges of securing a recovery and addressing the climate emergency head on, ensuring a better future for Wales.





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