



A just transition to a greener, fairer economy

A TUC report

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THIS STATEMENT

The move to decarbonise our economy has the potential to offer exciting opportunities for the UK. But at present, the lack of a comprehensive just transition policy or coherent industrial strategy to deliver the necessary support and impetus for change, means that many well paid, highly skilled, unionised jobs, are under threat.

The trade union movement will support the fight against climate change to help protect the planet for our children and grandchildren. And we'll stand up for those workers whose jobs are at risk if we don't take action to make the transition to a greener economy a just one. This just transition statement sets out a number of challenging, ambitious policies that will support those workers. We call on the government to implement these recommendations in both the interests of the workers of this country and the planet on which we all live.

THE NEED FOR A JUST TRANSITION

The trade union movement recognises that there is overwhelming scientific evidence of the need to decarbonise our economy. Energy-intensive industries, including the energy, transport, manufacturing and construction sectors, will be key to achieving this transition, but this is a project that will require change right across our economy, and trade union members have the expertise to deliver it. The voices of workers who are at the forefront of dealing with the challenge of climate change must be at the centre of achieving a successful transition to the economy we will need.

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Such a change, if left to solely to the market, could have massive economic and social consequences, in terms of jobs, skills and knowledge lost and communities destroyed. We need a different approach to the failed neoliberal approach of the 1980s, which left workers behind, and communities devastated.

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 a just transition was included in the preamble to the 2015 Paris Agreement and in the Silesia Declaration at the climate talks in 2018.

The move to a low-carbon economy has implications and potential opportunities for industrial policy and the quality of employment. However, the opportunities will not be realised unless the workers most affected have a seat at the table where key decisions are taken. They should be able to contribute to solutions, not be told after decisions have been made.



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And, of course, climate change affects our brothers and sisters – especially our sisters – across the world. UN figures show that 80 per cent of those displaced by climate change are women. The Paris Agreement identifies global solutions to a global problem; it has made specific provision for the empowerment of women, recognising that they are disproportionately impacted by climate change, and 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.

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MAKING A JUST TRANSITION A REALITY

1. A clear and funded path to a low-carbon economy

UK trade unions have long supported a balanced energy policy, measures to reduce carbon and other harmful emissions from energy intensive industries such as steel and cement manufacture, a just transition to electric vehicles, and an integrated low emission public transport system, all of which will help us meet our climate change commitments, while delivering a reliable, resilient and affordable energy supply for the whole country.

At present, our efforts to plan for this goal are held back by the lack of a clear commitment by government, or a plan for how to achieve this.

Addressing the energy sector, the Committee on Climate Change, a committee of experts, has reviewed the scientific evidence on how best to deliver the change we need. But it needs to build a consensus on how this change should be delivered so that it works for workers and consumers alike. The government should set up a cross-party commission on long-term energy and energy usage strategy, involving affected workers, unions, industries and consumers, to plan a path that will deliver a just transition to a clean, affordable and reliable energy supply for the future alongside reductions in emissions. As part of its remit, this commission should carry out a study of the social impacts of such a transition, its regional impacts and necessary mitigation measures.

This commission should ensure that political decision-making is not separated from the economic consequences of transition.

Government must be prepared put in the investment needed to deliver this change, through progressive taxation, as well as to ensure that the regulatory framework supports a just transition. Like high energy use sectors such as steel and construction, the energy industry needs long-term certainty in order to plan, and there needs to be effective strategic oversight and accountability.

But investment is needed well beyond this. Government must also fund necessary infrastructure investment and to support transition in affected sectors including automotive, aerospace, steel and construction, alongside household energy efficiency programmes, a public service response to tackle extreme weather, and public service responses in housing, planning, regulation and public transport, helping to bring the UK's public and private investment up to at least the levels of other developed countries.

☞ Companies and organisations moving to a lower carbon model should put in place Transition Agreements – agreed with unions. ☞



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2. Workers must be at the heart of delivering these plans

The workers and communities across the UK most affected by the move towards low-carbon industries must have a central voice in how this is implemented. The best and most obvious way to achieve this is by working with trade unions. Trade unions were founded in the heat of the last industrial revolution to represent workers, and remain the best way to ensure that workers interests are protected throughout any period of industrial change.

Workers also have transition-related knowledge. A company or organisation moving from a fossil-based to a cleaner energy system, or whole sector transitioning towards cleaner technologies, will have to adapt specific processes and workers are most likely to understand how to do

this effectively. It makes business sense to give workers a stronger voice and higher visibility in such circumstances. Workers' voice starts in the workplace. Companies and organisations moving to a lower carbon model should put in place Transition Agreements – agreed with unions – that 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 and equal opportunities. Companies should also work with unions to identify and deliver best environmental practice at a workplace level.

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Workers' voice needs to be heard at every level decisions are made. That means including just transition arrangements in bargaining at sectoral level, and ensuring that affected workers and unions are represented in all local, regional and national bodies making decisions on industrial policy.

And to ensure that everyone can fully benefit from unions' representative role, unions must have access to all workplaces, to discuss the importance of transition as well as the benefits of joining a trade union.

3. Every worker should have access to funding 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, so government must dramatically increase its investment in skills.

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Apprenticeships have long been the best guarantor of skills excellence in industry. The trade union role in agreeing the substance and the quality of apprenticeships has ensured consistent high standards.

And we will require new mechanisms to identify transferable skills and knowledge. Some workers will have similar, but not identical skills, to those needed in another sector, so we need to put in place institutions, including at a local level, which bring together unions and employers to identify what training and support they need to upgrade and utilise their existing skills.

Government should give workers the confidence to train, starting by establishing lifelong learning accounts for all adults so that everyone has a personalised budget for training, and introducing a right to career reviews and face-to-face guidance on training to help them access it.

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.

The proper funding of the adult education sector is essential if the demand for new skills as a result of the move towards a greener economy is to be met. A well-funded and free-to-workers 'skills for transition' programme must be delivered in and out of workplaces.

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

4. New jobs must be good jobs

Climate change is a huge threat, but decarbonising the economy will create massive job opportunities too. Our ambition is that every new job created right across the economy is of 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. At present, we know that too many people across the wider economy don't enjoy these rights. And there are growing concerns, fuelled by a lack of transparency, about the quality of the new jobs we are creating. These jobs are also less likely to be in companies that recognise unions. This does not meet the test of a just transition.

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. They must also strive to make sure their workforces are representative of the UK as a whole.

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Government has a key role in making this happen, as a funder and procurer of new energy and broader infrastructure. When government invests in new infrastructure it should use its procurement powers to ensure that jobs generated benefit workers in the local community and throughout the supply chain. It must also insist that jobs created provide workers with trade union recognition, and that employers have fair recruitment, industrial relations and pay policies for all workers. Companies winning government contracts must adhere to agreed standards of corporate behaviour; for example, contracts should not go to companies based in tax havens and companies must be registered in and pay tax in the UK.

Industrial policy to deliver a just transition should be focused on creating jobs where they are needed most: in the regions and nations of the UK. The UK must retain a strong manufacturing base and must not simply export carbon-intensive jobs overseas. We need a range of thriving industrial sectors,

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underpinned by investment in innovation and research. And the public sector has an essential role to play in enabling the infrastructure to deliver a just transition to a greener, fairer economy.

Within companies and organisations, 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 increases.

Trade unions have always fought for their members jobs, rights and pay, and an economy that delivers decent work for all who need it. There is compelling evidence that unions are good for workers, good for companies and good for our economy. If we deliver on the principles set out in this statement we can meet the challenge of climate change head on, ensuring a better future for everyone.

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