

# working on change

the trade union movement  
and climate change



green  
alliance...



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## the trade union movement and climate change

edited by Faye Scott

This pamphlet and the pieces in it have been commissioned by Green Alliance, with support from the TUC and Unison. It contains pieces from a range of unions, but the contributions are not statements of TUC policy or the policy of the different unions that have contributed. Instead, the publication is designed to inform and stimulate debate on this major issue of our time.

### about Green Alliance

Green Alliance is one of the UK's most influential environmental organisations. Our aim is to make environmental solutions a priority in British politics. We are an independent charity and work with representatives from the three main political parties, government, business and the NGO sector to encourage more ideas, facilitate dialogue and develop constructive solutions to environmental challenges.

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# contributor biographies

**Stephen Hale** has been the director of Green Alliance since June 2006. He is the author of 'The new politics of climate change' (2008) and currently the third sector chair of the ministerial task force on climate change, the environment and sustainable development. Prior to joining Green Alliance he was a special adviser at the Department of Environment, Food and Rural Affairs from 2002-06, focusing on climate change.

**Jack Dromey** has been the deputy general secretary of Unite since 2003 and a union officer for 30 years. He was a member of the negotiating team at the Warwick Conference in 2008 that saw a commitment by the government to one million new green jobs. Unite is the UK's largest trade union with almost 2 million members across the private and public sectors, working in a range of industries including manufacturing, transport, construction, financial services, media, local government, education and health services.

**Sally Hunt** is the general secretary of UCU with specific responsibility for higher education and campaigning. She is a member of the TUC general council and executive council, and acts as international spokesperson for the TUC. UCU is the largest trade union and professional association for academics, lecturers, trainers, researchers and academic-related staff working in further and higher education throughout the UK with over 120,000 members.

**Paul Noon** is the general secretary of Prospect. He was elected general secretary of the Institution of Professionals, Managers and Specialists in 1998. IPMS merged with the Engineers and Managers Association in 2001 and Paul was elected unopposed as Prospect's general secretary in 2003. Paul is a member of the TUC general council and executive committee and their lead spokesperson on energy and environment. He has been the co-chair of the trade union sustainable development advisory committee since 2002. The ministerial co-chair is Hilary Benn.

**Keith Sonnet** is the deputy general secretary of UNISON. He has been chief negotiator for the union's 860,000 local government staff, was one of the leaders of the national local government strike in 1989 and has represented the union on a wide variety of outside bodies including the IDeA and the Central Arbitration Committee. UNISON is Britain and Europe's biggest public sector union with more than 1.3 million members working in the public services, for private contractors providing public services and in the essential utilities.

**Dan Shears** has been the national health, safety & environment research and policy officer for the GMB since January 2008. He covers industries from the nuclear sector to construction sites, and workplaces from chemical plants to casinos. He is a member of the trade union sustainable development advisory committee, and advises GMB's

central executive council on environmental issues. GMB has been in existence for over 120 years. It is Britain's third largest union, with over 600,000 members working across all sectors of the UK economy. One in every 32 people at work in the UK is a member of GMB and GMB is organised in 34 of the UK's biggest 50 companies.

**Bob Baugh** is the first executive director of the AFL-CIO Industrial Union Council. The Council, comprised of the nation's leading industrial unions and chaired by AFL-CIO Secretary-Treasurer Richard Trumka, is the coordinating body for the federation's manufacturing policy and legislative initiatives. Bob also serves as the co-chair of the AFL-CIO Energy Task Force and was the leader of the U.S. labour delegation to the UN Climate Change Conference negotiations in Bali and Poznan, Poland. He regularly testifies before Congress, acts as a spokesperson for the federation and writes about manufacturing, trade, globalisation, energy and the economy.

**Paul Hampton** works at the Labour Research Department (LRD). The LRD is an independent, trade union-based research organisation that provides the trade union and labour movement with information on many topics in the economic, political and industrial fields through its publications, enquiry and research services.

**Joël Decaillon** is the confederal secretary of the European Trade Union Confederation (ETUC). The ETUC exists to speak with a single voice on behalf of the common interests

of workers at the European level. Founded in 1973, it now represents 82 trade union organisations in 36 European countries, plus 12 industry-based federations, making a total of 60 million members. It believes that workers' consultation, collective bargaining, social dialogue and good working conditions are key to promoting innovation, productivity, competitiveness and growth in Europe.

**Ann Pettifor** is a fellow of the new economics foundation and co-author of 'the green new deal'. She lectures widely on international finance and sovereign debt; and on the need to devise new economic policies to deal with the 'triple crunch' of the financial crisis; peak oil and climate change. She is also executive director of Advocacy International Ltd and has worked for more than fourteen years in the field of international debt and finance, leading the Jubilee 2000 'Drop the Debt' campaign.

**John Sauven** is the executive director of Greenpeace. Greenpeace stands for positive change through action, investigating, exposing and confronting environmental abuse by governments and corporations around the world. They champion environmentally responsible and socially just solutions, including scientific and technical innovation.



# introduction



# introduction

Stephen Hale, Green Alliance

Green Alliance is delighted to publish 'Working on change', this collection on trade unions and climate change. We are grateful to Unison and the TUC for their support of this publication, and recognise their decision to do so as further evidence of their strong and growing commitment to the issues that this publication addresses.

The challenge of climate change is primarily portrayed and understood as a threat, not an opportunity. The threat of climate change is indeed a chilling one. The consequences for our future prosperity and security will be devastating and indeed fatal for many if we do not act decisively now.

But at Green Alliance we believe that it is the stories of the opportunities presented by climate change that will lead us to victory in this struggle. That's why our 2009-12 strategy is entitled 'Future positive'. The development and mobilisation of new alliances is central to our strategy. This publication is a potentially hugely important one because it provides a fascinating glimpse into the opportunity that climate change provides for modern trade unionism, and the prize that lies within all of our reach.

The contributions to this pamphlet by Jack Dromey (Unite) and Sally Hunt (UCU), by Paul Noon (Prospect) and by John Sauven (Greenpeace) all tackle this head on. They

highlight the scale of the manufacturing and employment opportunities in the transition to the low carbon economy, in a range of industrial sectors.

But, as Ann Pettifor notes in her contribution, this opportunity has been sketched out before. Ann opens with a challenge to the union movement, highlighting the need to broaden and deepen union engagement with the green new deal. The positive case for trade union leadership on climate change is made afresh in these pages, but both our challengers make the point that the level of union ambition must continue to increase in line with the challenges we face.

To make this a reality, some of the risks and challenges to a different approach must be directly addressed. It must be recognised, not least by environmentalists, that there are companies and industries for whom climate change policy may well be more a threat than an opportunity. The concept of the 'just transition' articulated here is a useful way of addressing these potential conflicts. It is imperative that workers who may be impacted in these sectors are given opportunities to retrain and to improve their skills, so that they can take up the many opportunities of the just transition. The current economic recession brings challenges of this kind into sharp focus. But it is ultimately simply a painful and

powerful reminder that it is essential to focus on creating the industries and jobs that can and will succeed in the low carbon economy of the 21st century.

The contribution by Keith Sonnet (Unison) and Dan Shears (GMB) demonstrates that there is also a significant agenda here for public sector unions and employees. They highlight the opportunity to use community and public solutions in areas like renewable

**“it is essential to focus on creating the industries and jobs that will succeed in the low carbon economy”**

energy and energy efficiency to deliver public benefit and public support for the low carbon transition, and also the benefits that

the commitment and participation of public sector employees can provide in tackling climate change in the public sector. And Paul Hampton (LRD) makes the case for tapping the significant potential of union representatives in workplaces across the economy to be green champions and lead change in their organisation and among their fellow employees.

Without a doubt, the most uplifting contribution to this pamphlet comes from Bob Baugh, executive director of the American AFL-CIO Industrial Union Council. He tells an inspiring story from across the Atlantic. The Blue-Green coalition in the US has united over six million workers and many of the key environmental groups in the US in the fight for the tremendous manufacturing and employment opportunities of the transition to

a low carbon economy. Their efforts have yielded rapid and impressive dividends following the election of President Barack Obama, in particular through the stimulus package and the Clean Energy and Security Act.

We at Green Alliance are excited by the growing engagement and commitment of trade unions here in the UK to the opportunities presented by action on climate change. We hope and believe that this pamphlet could mark a further important step forward in the creation of a movement of this scale and impact here in the UK.



ensuring a  
just transition



# ensuring a just transition

Jack Dromey, Unite and Sally Hunt, UCU

**“ensuring that workers share the gain and not just the pain of the necessary changes is essential to building public support for climate change policies”**

The government has said that “the jobs of today will not be the jobs of tomorrow.”<sup>1</sup> This pamphlet is a welcome opportunity to contribute to the debate about how government, unions and employers can work together to ensure the jobs of tomorrow are jobs that meet the aspirations of ordinary working people, as well as addressing the

environmental challenges that we all face.

Unions often use the phrase ‘a just transition’, meaning a transition to a low carbon economy

that is shaped by workers themselves. Where workers’ voices have been heard, strategies for just transition typically include active job creation and training and protection for workers and communities that are currently dependent on the high carbon economy. Ensuring workers share the gain and not just the pain of the necessary changes is essential to building public support for climate change policies. Two pieces of good news on the just transition front demonstrate that this reality is being recognised despite, or perhaps because of, the pressures of the global recession.

Firstly, after hard work by the International Trade Union Confederation, the UN has

included a just transition clause in the draft of the new treaty to regulate climate change emissions. It says:

“An economic transition is needed that shifts global economic growth patterns towards a low-emission economy based on more sustainable production and consumption, promoting sustainable lifestyles and climate-resilient development while ensuring a just transition of the workforce. The active participation of all stakeholders in this transition should be sought, be they governmental, private business or civil society, including the youth and addressing the need for gender equity.”<sup>2</sup>

There is broad support for ensuring that UK negotiators are committed to keeping this clause in the treaty negotiations taking place in Copenhagen in December 2009, as highlighted in Early Day Motion 1654.

Secondly, in its new low carbon industrial strategy the UK Government has announced the creation of a just transition forum, bringing together representatives from the government, employers, unions and civil society for the first time to discuss the implications of a low carbon future.<sup>3</sup> This is most welcome. As far back as 1991, the TGWU (now Unite) called for:

“...the establishment through new legislation of (i) an Environmental Conversion Agency as

part of an Environmental Protection Agency... to assist industry in all strategic, planning and advisory aspects of the change-over to environmentally friendly production; and (ii) a Work Environmental Fund...to ameliorate the cost of change on certain industries, and to be funded both by industry itself...and by direct Government sponsorship.”<sup>4</sup>

We hope that this new forum can develop to meet the original aspiration of a body that has a statutory basis, a broad remit, and the ability to direct substantial funds to achieve its aim.

### **The need for a just transition**

In recent years, trade unions have considered how to build the notions of fairness and social justice into the transition to a low carbon future. We agree with the judgement of the European Trade Union Confederation:

“Climate change represents a serious and unprecedented challenge for employment policies and for the social partners: the anticipated job gains and losses are sizeable, and no sector can afford to ignore the consequences of climate change.”<sup>5</sup>

The climate change challenge presents an opportunity to modernise industry and make it sustainable. But workers must not be

**“without ongoing action from government, current jobs will be lost to other countries rather than transformed into green jobs in the UK”**

expected to pay disproportionately for such developments. No-one should be forced to choose between having a

job and looking after their own welfare and environment. Trade unions must be central to decisions about retaining and creating decent green jobs, ensuring that there are the investment and skills needed to do so and assistance for workers and communities that would otherwise suffer. The transition cannot be left to short-termist and brutally impersonal market forces alone, as the recent experience of job losses at Vestas has made all too clear.

The UK and the forums mentioned above can learn from Spain, where unions and government have agreements ensuring worker participation in the implementation of environmental regulation, representation rights on workplace environmental issues and sectoral bodies addressing the impact of climate change regulation on employment. This is particularly helpful in addressing concerns about jobs leakage and in striking a balance between stimulating the market for green products and making sure that the skills and investment needed to meet some of that demand are available domestically. Furthermore, it can address concerns about the effect on energy intensive industries of competition from areas not covered by carbon emissions trading, helping them to develop more sustainable production methods and products.

We can also learn from the US, where the phrase ‘a just transition’ originated. The Oil, Chemicals and Atomic Workers Union, inspired by the programme of redeploying servicemen after world war two, put aside resistance to closure plans, promoting instead the taxation of polluting chemicals and processes (and also, of

international financial transactions) to finance the redeployment and protection of workers.

The strategy, which has subsequently been adopted by the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) as their environment policy, included:

- 1 At least two years' notification of site closures or scale backs, so that workers and communities have time to prepare.
- 2 A fund to develop alternative technologies and jobs for displaced workers, and to provide dislocated workers with: full wages and benefits until re-employment or retirement; up to four years of tuition and maintenance grants to re-train; post-educational stipends if no jobs at comparable wages are then available; and relocation for displaced workers who choose to move for employment.<sup>6</sup>

### **The need for active job creation**

A precondition of a just transition is active industrialism by government, of the kind that it has recently begun to espouse. That the green jobs will grow is not in question – but where? Without ongoing action from government to seriously tackle our skills, investment, infrastructure and domestic market challenges, current jobs will simply be lost to other countries rather than be transformed into green jobs in the UK. As Lord Mandelson acknowledged, “we need a smart strategic approach from government to deliver this ‘job revolution.’”<sup>7</sup>

There is a consensus that the most exciting and immediate green jobs potential is in manufacturing (particularly vehicles), transport, de-carbonising energy and the construction or energy efficiency retrofit of buildings. And there are windows of opportunity for industries, such as electric vehicles and offshore wind, where no country yet has early-mover advantage, and the UK potentially has huge competitive advantage.

We must act swiftly to adopt the strategies that will lead us away from high carbon dependence and enable us to adapt to and mitigate climate change. And we need political strategies that better support employment, including new forms of financing, regulation and procurement. Low interest rates and rising unemployment mean that there has never been a better time for a mass up-scaling of public ‘green works’ – as pointed out by Sir Nicholas Stern, the government’s chief economist, earlier this year in his report ‘An outline of the case for a ‘green’ stimulus.’<sup>8</sup> Where privatisation has made influencing procurement difficult, new forms of ownership could also be considered – the provision of electric car infrastructure is one obvious example and bus service provision is another.<sup>9</sup>

Despite the UK having among the best wind energy potential in the world, a 2008 report for Berr’s (now BIS) renewable energy strategy warned that without more government support for skills and infrastructure and a well developed UK supply chain and domestic market, most of the wind energy manufacturing and construction jobs wouldn’t

be UK jobs.<sup>10</sup> Sadly, this prediction has now been made manifest. With the well-publicised case of Vestas, England has lost its only sizeable wind turbine manufacturing capacity to the US and China, just as the government's renewable energy strategy projected up to half a million jobs in the renewables industry to meet renewable energy targets.<sup>11</sup>

The government is beginning to tackle the planning, grid, finance and tariff issues that were partly to blame for Vestas, but more needs to be done. It was notable that we could do little to influence the privatised energy utilities who chose to buy their turbines abroad, which was the final nail in the coffin for the company. We could also learn from Spain and Germany, which have championed green employment through local content requirements and state-funded green infrastructure banks. On this latter point, we note with interest the range of new thinking that is being developed by Green Alliance and others on making the finance system more responsible, including new state-owned institutions to invest in green jobs, and look forward to engaging further on this agenda.

It is also essential that green jobs are quality, unionised jobs – which is not always the case.<sup>12</sup> For example, waste and recycling has grown fast and now employs over 170,000 people. But the sector has an accident rate four times the national average.<sup>13</sup> It is typically made up of small to medium-sized operators, without union recognition agreements and therefore lacking a joint statutory health and safety committee, though there are a number of larger

players that do recognise and work positively with trade unions. Unions must ensure that labour considerations are central to discussions about sustainability and public procurement. Perhaps in doing so we can adopt an inclusive definition of green jobs, as jobs that “provide high enough wages and good benefits to support a family, opportunity to advance and build a career, and reduce waste, pollution, and other environmental risks.”<sup>14</sup>

### **Training and skills**

As Defra has recognised, the current business, demand-led approach to skills is “ill-equipped”<sup>15</sup> to deliver the necessary skills, despite the clear bottom line benefits to companies. According to Martin Baxter, Chief Executive of the Institute of Environmental Management and Assessment, there has been a “general failure” in a large proportion of UK businesses to demand the low carbon and resource efficient skills they need, and to put ideas forward.<sup>16</sup>

The government cannot delegate the need to be forward looking. Cross-departmental and partnership working, rather than further re-structuring and privatisation, is needed to deliver on this agenda. The just transition forum and the ‘active skills’ paper expected this autumn give opportunities to address this agenda urgently, linking in with existing skills strategies.

Unions are keen to work with the 25 sector skills councils (SSCs) to do more on green skills, and to have an equal say on the development of sector skills agreements.

These could develop our existing work on skills shortages, particularly in science, technology, engineering and maths subjects. It is a concern that some SSCs have stated that there are no specifically green skills for their sectors. In fact, to deliver a low carbon future, every sector will require a wider range of skills, as well as culture change skills and the softer skills that make people environmentally literate.

It would be useful to have an audit of the existing skills and infrastructure that have the greatest potential to be transferred to low carbon employment. For example, the offshore oil industry has skills that will be invaluable to the development of offshore wind. Skilled construction workers could be quickly re-trained to fit energy efficient technologies and renewable energy. Lateral thinking is required, and the new skills required might be cross-sectoral so a centrally co-ordinated approach is essential. Combined heat and power systems require both gas and electrical skills. A plumber working to install solar water systems on roofs may need only fairly brief training on the technical mechanism itself but will also require training in working at heights.

At the workplace level, both skills and the environment must be recognised as part of the negotiating agenda, with stronger rights for union environment and learning representatives? Representatives are already negotiating to support employees in obtaining green skills, stimulating demand for these skills and facilitating training in the workplace. The government can help employees obtain green skills and stimulate demand by ensuring

better rights to time off for training. A Labour Research Department survey showed that only seven per cent of respondents said their employer had given them the opportunity for re-skilling and up-skilling in relation to the environmental agenda.<sup>17</sup>

The government can also drive demand from the top, particularly by strengthening markets for green products, so that if firms invest in skills they know there will be a long-term market for them. Workers also need to feel secure that there is a market for skills they are considering acquiring or preserving. Otherwise, if laid off, they may choose to remain outside their sector even when things pick up, if they perceive it to be vulnerable to future recessions. This was the experience after the early 90's recession where many skilled workers in trades such as construction chose not to return to the industry, precipitating a real skills shortage.

It is essential that people are allowed to re-skill whilst still in work. Once out of work their skills start to rapidly become out of date, particularly if they are forced to take a lower skilled job to make ends meet. To address this, unions have called for increased levels of unemployment benefits and funding for short-time working, which could be combined with retraining and re-tooling.

As the TUC's green workplace project showed, union green representatives are already working with a number of employers on energy efficiency and sustainability through joint auditing and target setting. Many increasingly

**“trade unions are committed to a low carbon future and want government to recognise our role in promoting and supporting the transformation and ensuring the protection of those who are disadvantaged by it”**

see energy efficiency as the new productivity, leading to both environmental benefits and financial benefits, such as lower production costs, and therefore greater job security or higher wages. Employers are beginning to recognise that UK employees are an untapped resource when it comes to tackling climate change – a Carbon

Trust study found that 70 per cent of employees were keen to help their organisation cut carbon emissions, but wanted more help from their employer to do so.<sup>18</sup>

Clearly, this area of training needs more funding. One cost-neutral way of achieving this could be through revenues from the auctioning of allowances under the EU emission trading scheme and the forthcoming carbon reduction commitment (CRC) for larger service sector employers. The CRC measurements include recognition of the importance of employee involvement and training.

### **The need for social protection**

Trade unions are committed to a low carbon future. But we need government to work with us to engage people in the transformation and to assist those adversely affected – especially through social protection and strong, high quality public services. We want to jointly develop transformative approaches to hardship, climate change and inequality, and we want

all sections of government to recognise the role that unions – as democratic organisations of working men and women in every sector of our economy – play in supporting and promoting those transformations and in ensuring the protection of those who are disadvantaged by change.

Although support packages will need to be flexible – in order to take account of the different situations in which workers find themselves – a general outline for such a scheme could include: consultation requirements; education/training; 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.

Some areas will be harder hit than others and this must be monitored and addressed by the relevant government departments and regional bodies, working with trade unions and employers’ federations.

The unions recognise the gravity of the current economic downturn. There are ominous threats that financial constraints and the economic downturn will combine to impose serious restrictions on vital social protection measures (e.g. welfare benefits, redundancy payments or finance for education and training), just as economic and environmental transitions mean that they are needed most. There is also a question of the degree to which public services, particularly transport, will receive the public investment necessary to support green jobs in these industries.

This transition cannot be allowed to happen in the way that previous industrial transitions took place, not only failing to keep pace with more interventionist economies, but also ripping the heart out of communities and leaving scarred generations. We welcome the government's commitments to a new active industrialism and we hope that these commitments will be maintained and strengthened in the years ahead.

# creating and keeping green jobs in Britain



# creating and keeping green jobs in Britain

Paul Noon, Prospect

Today the UK faces the unprecedented and urgent dual challenge to secure economic and environmental recovery. ‘The UK low carbon transition plan’ published in July characterises the magnitude of the task in clear and direct terms – “The changes we need to make to 2020 and beyond will transform our workplaces and our whole economy.”<sup>1</sup> Unions share this view but believe that real and sustained progress depends on commitment to a fair and just transition. In the words of the International Trade Union Confederation, “An economic transition is needed that shifts global economic growth patterns towards a low emission economy based on more sustainable production and consumption, promoting sustainable lifestyles and climate-resilient development whilst ensuring a just transition of the work force.”<sup>2</sup> Key pillars of this approach are:

- investment in green jobs and new low carbon technology;
- a green skills and training strategy; and
- meaningful stakeholder consultation between government, employers and trade unions.

## Impact on employment

As argued in ‘A green and fair future: For a just transition to a low carbon economy’, the TUC is determined to ensure that we do not repeat the experience of the industrial restructuring

of the last 30 years, which was often allowed to occur in a deeply unjust fashion that saw some lose everything while others reaped huge rewards. While job gains and losses may be sizeable and vary in timescale between sectors and locations, it is vital that the just transition principles of investment in low carbon technology, re-skilling and consultation are always applied.

While there is no definitive count of the numbers of jobs involved a range of estimates indicate the potential scale of change. For example, at the low carbon economy summit in March 2009, the government estimated that the UK’s low carbon environmental goods and services sectors currently employs 880,000 people with a combined market value of £106.5 billion in 2007/08.<sup>3</sup> This includes traditional environmental industries such as pollution control, as well as renewable energy technologies and emerging low carbon industries, including biofuels and carbon capture and storage (CCS).

In June, the Aldersgate Group published a review, ‘Driving investment and enterprise in green markets’, noting that the UK is the world’s sixth largest low carbon and environmental economy and that an additional 400,000 jobs are expected to be created over

the next eight years.<sup>4</sup> This is despite the fact that the UK only has 3 to 5 per cent global market share. The TUC's own publication 'A green and fair future' compares UK employment of 7,000 in the renewable energy sector with 249,000 in Germany and 20,000 in Denmark in wind power alone.<sup>5</sup>

So at a time when job losses in carbon intensive sectors such as heavy manufacturing and steel are intensifying, it is of growing concern to us that there is no definitive assessment of how many of these jobs are actually materialising.

The Environmental Audit Committee's inquiry

into green jobs and skills is currently exploring how best to address the lack of a co-ordinated strategic oversight. In our view, clear responsibility needs to be vested in the

**“we cannot repeat the experience of the industrial restructuring of the last 30 years, which was often allowed to occur in a deeply unjust fashion”**

secretary of state for Business, Innovation and Skills, working with the UK Commission for Employment and Skills.

It makes sense to develop a sectoral approach, and we agree with the Committee on Climate Change that priorities for investment must include decarbonising the electricity supply, energy efficiency measures at home and at work, and transport investment to reduce emissions.

### **Renewables**

'The UK Renewable Energy Strategy',<sup>6</sup> published in July 2009, places a strong emphasis on the contribution of wind generation. Wind is one

of the highest growth industries in Europe and Bain estimates that in the period to 2020 onshore and offshore wind farms combined are likely to generate over 80 per cent of the UK's installed renewable capacity. Bain's analysis points to four common factors critical to the rapid growth of wind industries in Germany, Denmark and Spain. These are:

- financial and regulatory support schemes to reduce commercial uncertainty – notably a feed-in tariff;
- rapid building of new infrastructure, especially grid access, to accommodate the wind industry;
- a swift process for gaining planning consent; and
- support for wind energy in local communities with opportunities for participation in ownership of wind farms, or through tax revenues paid to local authorities for tangible benefits to the community.<sup>7</sup>

An IPPR study<sup>8</sup> highlighted the impact of local sourcing requirements in assisting supply chain development. For example, Spanish regional governments have applied local content requirements, essentially requiring the local manufacture and assembly of turbines before wind farm concessions are granted. This has resulted in the growth of companies like Gamesa, supported by a production tax credit only available for turbines meeting local content requirements. These two factors – locally sourced manufacture and measures to encourage active community support – are key missing ingredients in our renewable energy strategy.

## Nuclear

We agree with the government that nuclear generation should not be considered as an alternative to renewables, but as part of a clean energy mix. We also agree with the Innovation, Universities, Science and Skills (IUSS) Committee that the UK should enthusiastically grab the opportunity to take a lead role in the international nuclear industry.<sup>9</sup> There are significant local employment opportunities in building new stations and in the manufacturing supply chain. However, there are still skill shortages at a time of strong demand for appropriately qualified staff such as project managers with nuclear experience, safety case specialists and those with experience of generic design assessment.

Work by the Nuclear Industry Association suggests that the capacity of the UK's nuclear supply chain could be boosted through reinvestment in the engineering and nuclear skills base. There is welcome, if belated, recognition in the 'UK low carbon industrial strategy' that this may require public investment in partnership with leading companies. Again, however, we need to see an urgent focus on delivery. To this end, we support the IUSS Committee call for a master roadmap for all major engineering projects, including nuclear new build, to be put in place by the end of 2009.

## Carbon capture and storage (CCS)

We support government proposals for up to four CCS cluster projects funded by a levy mechanism and urge them to expedite the CCS consultations. But, while endorsing the

proposal that all new plants must include CCS demonstration, we are concerned about making existing plants retrofit CCS within five years. The government needs to properly support companies to ensure that this does not result in the unintended consequence of plant closures and job losses.

The Yorkshire Forward project illustrates the CO<sub>2</sub> reduction and employment potential of CCS clusters. The Aire Valley region emits 80 million tonnes of CO<sub>2</sub> a year, two-thirds from a cluster of 13 large emitters – mainly coal, steel and chemical plants. Together they provide direct and indirect employment for around 10,000 workers. The Yorkshire CCS project aims to build a new high-pressure pipeline round the valley to pick up liquefied CO<sub>2</sub> from these sites and transport it to storage in depleted North Sea gas reservoirs. It could start transporting CO<sub>2</sub> out of the region as early as 2013 and by 2030 will be capable of capturing 60 million tonnes of CO<sub>2</sub> annually for storage under the North Sea. This is about 10 per cent of the UK's total current emissions. The construction phase of the project would produce £1.8 billion in value added and 55,000 jobs in the region. The operations phase would produce £126 million in value added and support 2,400 jobs a year. Projects like these ably demonstrate both the employment and environmental benefits of investing in CCS networks, and the government should learn from examples like these as they develop the UK's CCS capabilities.

### Limitations of the market

Action at the sectoral level needs to be supported by more strategic investment in the grid and a change in the financial and regulatory regimes that support investment. A secure medium-term energy policy, both in the UK and the EU, from 2010 to 2020 will be essential to facilitate private investment

in generation and networks and to deliver a quantum-leap change from the historic centralised system to a more responsive set of active networks. But the current global recession threatens delivery of any

**“in the face of current challenges the market alone will not deliver the strategic energy policy that we need – the government’s approach must be more proactive to ensure policy and financial stability”**

energy vision. With long lead times on projects of this dimension the current cost of capital seriously inhibits the willingness of investors to commit resources.

Regulation must focus more on medium to long-term security of supply and environmental issues and rather less on short-term economics. The fact that no statutory authority has the ultimate responsibility to ensure security of supply often comes as a surprise to those who take a more casual interest in energy policy. Furthermore, the regulatory framework should be flexible enough to encourage investment in network improvements that will provide system stability and facilitate the connection of large-scale renewable generation sites to the transmission networks.

In March 2009 the Electricity Networks Strategy Group estimated that the cost of network reinforcement to accommodate necessary additional generation capacity, including large-scale wind development, would be £4.7billion.<sup>10</sup> In the current economic circumstances, this poses major financial challenges. Companies are currently prioritising the investment required to meet their licence obligations and the regulatory cycle militates against the longer-term approach to investment returns that will be vital to delivering this vision. Any discretionary spend which may augment networks and require the requisite skills to be deployed is under sharp consideration as the cost of capital increases. Even companies that would have been gilt-edged investment propositions in the past face appreciating capital costs investors and lenders become more risk-averse.

In the face of these challenges the market alone will not deliver the strategic approach to energy policy that we need. The government must take a more proactive approach to ensure policy and financial stability. Investment in all forms of energy generation is long-term in nature and requires a greater degree of certainty than currently exists over future energy policy and the long-term price for carbon. Whilst welcoming the provisions of the Climate Change Act and work in progress to strengthen the EU emissions trading scheme, we are concerned that the time horizons of these measures may be too short to encourage the necessary investment.

There are related concerns about the EU’s cap-and-trade system for controlling and reducing

CO<sub>2</sub> emissions. The emissions trading scheme caps the amount of CO<sub>2</sub> industries can emit, so creating a market, or carbon price, for emission permits. There are already concerns about speculators playing in this market and our energy intensive industries are increasingly concerned about ‘carbon leakage’, as they face competition from businesses in countries with less stringent CO<sub>2</sub> emission controls. The fear is that jobs and CO<sub>2</sub> emissions will relocate overseas, defeating the whole purpose of the scheme. We would therefore support the introduction of an Energy Agency, operating at arm’s length from government but accountable to parliament that would balance the public interest in ensuring a secure, affordable and low carbon energy supply with market solutions.

### Energy efficiency

As Stern has argued, energy efficiency measures for buildings and industry are among the most effective ways to combine environmental

**“every £1 million invested in energy efficiency creates 8-14 person years of direct employment and 9 – 40 years indirect employment”**

outcomes with a fast economic stimulus.<sup>11</sup> Such measures are quick to implement, time-limited and offer long-term social and environmental impacts and immediate job creation opportunities. Research indicates that every £1m invested in energy efficiency creates between 8 and 14 person years of direct employment, and a further 9 to 40 person years indirect employment, including the benefit of income released from lower fuel bills.<sup>12</sup>

outcomes with a fast economic stimulus.<sup>11</sup> Such measures are quick to implement, time-limited and offer long-term social and environmental

Estimates in ‘Building a low carbon economy’ show that millions of homes require weatherisation treatment through measures such as improved insulation and improved boiler efficiency and these measures will deliver significant annual CO<sub>2</sub> savings.<sup>13</sup> Furthermore, major employment and skills opportunities are at stake in meeting this challenge.

The TUC is keen to see a more ambitious approach to delivering energy efficiency measures. The carbon emission reduction target (CERT) should be reformed to allow a council-led area-based national insulation programme, as the Local Government Association has argued, providing basic insulation to the 10 million homes that do not have these measures installed. The cost of the programme is estimated at £5 billion<sup>14</sup> – rolling it out at £500 million a year would create an additional 20,000 jobs. Furthermore, seven million homes require solid wall insulation. A modest national energy loan fund of £1 billion over seven years, providing for interest free loans to householders, repayable when the home is sold, would enable 300,000 householders to install solid wall insulation. This would create another 5,000 jobs a year. Similarly, the government’s heat and energy savings strategy envisages new partnerships of local councils, voluntary organisations, energy suppliers and electricity generators, with the potential to create up to 34,000 jobs installing and maintaining whole house packages.<sup>15</sup>

Opportunities also exist in responding to the need for investment in retrofitting existing

housing stock to make it more resilient to the impacts of climate change already in the system. Whilst this makes efforts to reduce future emissions all the more urgent, at the same time it means that we must adapt to hotter, drier summers; milder, wetter winters; and more extreme events such as storms and floods in the UK.

The government has announced a new £5 million grant scheme to encourage householders to install flood resistance and resilience measures, in response to the Pitt Review of the 2007 floods. A first round of bids from local authorities is being sought in 2009. Given the urgency of the problem and the short timescales involved, this is an opportunity to provide jobs to workers in construction and maintenance, and for these workers to enhance their skills and future employment prospects by working on adaptation projects.

### Rail

The government has committed to a long-term goal of doubling the level of demand rail can accommodate,<sup>16</sup> acknowledging that rail's potential to provide a safer and lower

CO<sub>2</sub> alternative to cars and lorries is much greater than seemed possible even ten years ago. Yet contrary to this policy, up to 700 of Network Rail's track and signal maintenance jobs are at risk, which

“employers do not grow their own scientists and engineers, it's important that there is sufficient higher education provision to ensure a supply of new entrants and attractive and well remunerated career prospects”

National Rail acknowledges will have a major impact on supply chain companies, from steel to quarrying. The position is exacerbated by National Rail's need to achieve 13 per cent efficiency savings over the period 2009 to 2014, but is affected most immediately by their business plan, which seeks to frontload staff cuts.<sup>17</sup> The response to economic downturn should be to enhance renewal programmes, not to defer them. Appropriately funded, this would help secure direct and supply chain employment in the rail sector.

### Skills

Both the 2007 energy white paper and the report of the commission on environmental markets and economic performance recognised the need for a better understanding of employment opportunities and skills needs in moving to a low carbon and resource efficient economy.<sup>18</sup> The former Department for Business, Enterprise and Regulatory Reform (Berr) and the Department for Environment, Food and Rural Affairs (Defra) both produced reports in 2008 in response to this challenge. Berr's report focussed on the energy sector, noting that the market has delivered reliable and competitively priced energy but it has come at the expense of investment in future skills. It reported that on-the-job training is not widely accredited and formal qualifications and traditional apprenticeship structures have withered. Defra's wider review of sustainability skills noted that the current demand-led skills delivery framework is ill-equipped to respond to skills needs. Furthermore the current skills infrastructure is not well suited to reaching

and up-skilling those already in the workforce. It recommended that low carbon and resource efficiency skills need to be integrated with wider organisational practice and into existing qualifications and national occupational standards.<sup>19</sup>

The former Department for Innovation, Universities and Skills (DIUS) has established an inter-departmental high level skills group, which the TUC is represented on. Employers engaged in this group have identified the need both for specific green skills. These have often been developed internally, for example through training in eco-driving or plumbers working at heights to install solar PV, but now need to be supported to scale up dramatically. Employers do not grow their own scientists and engineers and it is important that there is sufficient higher education provision to ensure a supply of new entrants as well as attractive and competitively remunerated career prospects.

However, as Stern commented “the removal of barriers to behavioural change is the third essential element, one that is particularly important in encouraging the take-up of opportunities for energy efficiency.”<sup>20</sup> The TUC and unions have been working successfully with workplace environmental representatives to develop influencing and culture change skills.<sup>21</sup> The government’s low carbon industrial strategy acknowledges the contribution of workplace transformation in the rapid shift to a low carbon future.<sup>22</sup> However, the widespread deployment of this resource would be boosted through formal recognition of the role of environmental

representatives, and appropriate facilities for it to be pursued.

### **Securing success**

Growing our low carbon industries by 50,000 jobs annually for the next eight years presents a formidable but achievable challenge. The sectoral strategy outlined in the low carbon industrial strategy is clearly the right way forward provided that, through the proposed stakeholder forum for a just transition, the government works with its trade union, industry, regional and local government partners to ensure the necessary investment in jobs, new technologies and skills. Here, we have highlighted a number of policy gaps, notably a lesson from our competitors in how supply chain development and local sourcing can build new domestic industries – a lesson that is by no means confined to the wind turbine industry. We have welcomed the government’s active industrialism and now require a sense of pace and urgency to ensure that environmental policies deliver the much promised stimulus to our economic recovery.

# public services and climate change: towards a new ethos of sustainability



# public services and climate change: towards a new ethos of sustainability

Keith Sonnet, Unison and Dan Shears, GMB

With their significant operational footprints, the reach of their procurement and their regular interaction with the members of the public, the public services clearly have a role to play in tackling climate change. The questions are how big and how wide that role should be. In many respects the government has given us a fairly detailed picture of what they believe the answers to these questions are – most recently in the ‘UK Low Carbon Transition Plan’ and the various measures associated with the Climate Change Act.

They have set out a coherent approach that envisages a leadership role for government and the wider public sector “in reducing their own carbon emissions and driving the move to a low carbon economy.”<sup>1</sup> What’s more, this overall vision is backed up by targets and a range of specific measures that are already beginning to transform the way in which our public services operate. For example, by 2010, the carbon reduction commitment (CRC) will see significant numbers of NHS trusts and local authorities entering into a new carbon trading scheme alongside the big players in the service sector. And in local government the new performance framework has formalised a clear appetite among councils to take responsibility for tackling climate change by building on the earlier voluntary Nottingham Declaration

of 2000, and the United Nations sustainable development programme Agenda 21. Almost all relevant councils (97 per cent)<sup>2</sup> have prioritised at least one of the three climate change related performance indicators for their local area agreements. The indicators focus on reductions in per capita carbon emissions in the geographical area covered by a local authority, emissions from the authority’s own estates and adaptation to climate change.

But whether these measures and the overarching transition plan will guarantee carbon savings or provide leadership is still open to question. As trade unions with significant membership in the public services we would argue that, whilst the steps that the government have taken thus far are to be welcomed, there is a need for us all to raise the bar even higher. This should involve:

- taking a more holistic approach to sustainability in public services that recognises and makes explicit the interplay between environmental, economic and social goals. This will be essential to winning the public buy-in and support necessary for the transition to a low carbon economy; and
- recognising the example, practices and public interest ethos that public services can bring

to the wider economy. This should include being prepared to take a more pragmatic approach when markets fail and the public sector can deliver instead.

It is only by raising our game further that we will see the full benefits of action in the form of reduced emissions, a better quality of life, better and cleaner services and a fairly rewarded and valued workforce. Of course, this isn't something that government can do by itself. These are also matters for wider civil

**“when we talk about practical measures, the top of the list for us will always be empowering the workforce to green public services”**

society, including the environmental NGOs, who need to engage with some of the wider issues about the role and size of the state and the public services,

as well as the social and economic compact that we believe will be an essential component in creating the political space necessary to make the transition to the low carbon economy.

And there are challenges for us as trade unions. We need to support and represent our members through changing practices at work and in the wider economy in a way that maximises reductions in carbon emissions and fairness for people at work.

What follows is an attempt to sketch out some of the ideas that will be essential to realising the government's own vision for public services, as set out in the 'UK Low Carbon Transition Plan', and to moving from here towards the more joined up approach to

sustainability that is essential for the future. This is a mix of practical measures for the here-and-now and more ambitious political and economic goals.

### **Empowering the workforce in the public services**

When we talk about practical measures, the top of the list for us will always be empowering the workforce to green public services. The low carbon transition plan envisages government departments having their own carbon budgets, which from April 2010 will include responsibility for reducing emissions from public services, including schools, further and higher education institutions and the NHS.

It is no exaggeration to suggest that giving effect to this on the ground is a significant challenge, particularly when viewed alongside the requirements of related measures such as the CRC in schools, colleges, local government and in hospitals, that will require a whole new approach to the way in which public service workers go about their duties.

The experience of workplace health and safety representatives has demonstrated that workforce involvement has a powerful transformative effect on the working environment. Research has shown that organisations where health and safety representatives operate have 50 per cent less serious injuries than those who do not.<sup>3</sup> This is because the workforce feeds in to management decisions and tackles issues before they escalate into serious hazards. Those performing the job day-to-day are able to bring their wealth of specialist experience to bear

and the result is a saving to the UK economy of at least £180 million per year.

This performance has only been achieved through the existence of formal legal rights, providing facility time and a clear set of duties for representatives. Providing a legal framework of a similar nature for workplace environmental representatives would be a very low-cost way to significantly improve environmental performance in the UK. There is already evidence from the TUC and Carbon Trust Green Workplaces pilot scheme, which resulted in reductions in carbon savings at

pilot organisations, and a £700,000 reduction in energy costs at the British Museum.<sup>4</sup>

These potential cost savings represent the benefits that flow from a number of practical initiatives.

**“our public services accounting norms have favoured a short-term, cheap is best approach that acts against forward thinking environmental approaches and needs to be addressed”**

By investing in improvement of buildings, processes, equipment and/or staff training, an employer is making a long-term commitment to the future of its organisation. The participation of the workforce creates buy in and helps to anticipate possible future changes in the organisation, particularly when energy costs are rising. Benefits include the creation of healthier, safer and greener workplaces, as issues such as temperature and lighting in the workplace are tackled. The savings made can be ring-fenced for further environmental investment within the organisation, becoming a long-term, self-

sustaining change programme. In this way, jobs are protected by reducing energy costs rather than staffing costs, meaning environmental protection benefits everyone.

### **Public procurement**

Coupled with the ability of workforce empowerment to drive a greening agenda, action needs to be taken to get public sector procurement on to a more sustainable footing. For too long governments have relied on the private finance initiative (PFI). In addition to representing poor value to taxpayers and being tough on workers who provide soft services, such as cleaning and catering, it is cumbersome and unsuited to improving standards in sustainability.

As the London Assembly environment committee point out “Sustainability standards are going up all the time. But once you have outsourced a project to the private sector, the public sector has less ability to be flexible about the spec. When you want to change you have to negotiate and the private sector partner will want to be compensated.”<sup>5</sup> By way of example the committee point to the PFI contract at Royal London and Barts Trust. It would be forward thinking, both environmentally and economically, for their chief executive to demand the introduction of a new combined heat and power system, but due to the private sector contracts it would be prohibitively expensive.<sup>6</sup>

A further significant example has been the development of PFI schools. In many cases, the school governors have made specific

requests that environmental technologies be incorporated into the design of new school buildings – elements such as:

- photovoltaic cells
- integrated recycling units in both classrooms and kitchen areas
- combined heat and power systems
- ground source heat pumps
- energy efficient insulation

These requests, whilst agreed in principle by local education authorities, have later been removed from final designs on cost grounds, directly against the wishes of the key stakeholders involved in the consultation process. The result is a number of schools built without energy efficient technologies, which they never get or which are subsequently retrofitted at substantial additional cost. In the rush to improve schools, hospitals and other public buildings, long-term sustainability is being forgotten.

Coupled with this, our public services accounting norms have favoured a short-term, cheap is best approach that acts against forward thinking environmental approaches and needs to be addressed. David Pencheon, the director of the NHS Sustainable Development Unit, has articulated this very clearly; “Do we

“we believe that public servants would be widely seen as trusted and accountable sources of information, better placed to provide energy efficiency advice”

buy something that is cheap and fits the bill, but is ultimately unsustainable, or do we buy something that is sustainable but might have a

higher initial capital cost but that has a lower lifetime cost? We can’t do the second more desirable option because we are forced by our accounting system to demonstrate return on investment too early.”<sup>7</sup>

We recognise, of course, that arguing for a longer term view and adopting a different approach to public procurement will have the naysayers telling us that the state of public finances mean that we need to take a reality check. But sustainable procurement is cheaper. PFI is not a free lunch. The government still pays for schools and hospitals and other infrastructure, just as it would have done using its own finance. The only difference is that it gets private companies to meet the upfront costs of the infrastructure (through expensive private borrowing) and then pays them back over 30 years – with interest – while suffering from an inflexible approach to change.

### Public services and sustainability

At a more fundamental and far-reaching level we need to marry up a broader vision of sustainability with a readiness to use public service solutions in tackling climate change.

In practice this means being prepared to step in when there is market failure and design services that:

- have a tangible impact on the need to reduce CO<sub>2</sub> emissions;
- support the wider economy by creating jobs and stimulating demand; and
- help achieve social objectives.

In the longer run such an approach might be needed for large sections of our economy, including transport and energy generation. And in the short term, there is a strong argument for such an approach being effective in the sphere of domestic energy efficiency and community renewable schemes – which we believe should be the responsibility of local government across the UK.

The government has a goal of achieving a 30 per cent reduction in household emissions by 2020, which entails making significant changes to seven million homes. As a first step, the government wants all households to have access to comprehensive home energy advice with reliable information and guidance about how to improve the energy performance of homes in the most cost effective way. They plan to train domestic energy assessors (DEA's), who currently prepare energy performance certificates (EPCs)<sup>8</sup> for homebuyers and potential tenants when they are looking to buy or rent a property, to provide this advice.<sup>9</sup>

There are currently about 8,000 DEAs trained to produce EPCs. The government is keen to expand their role so that they can provide home energy advice and detailed behavioural advice to both occupiers and the wider community on energy reduction, sustainability, and renewable energy technologies. A new national occupational standard is being developed, which will set out the skills and competences required for this new role.

But there is a complete absence of workforce planning in this approach and no evidence

that anyone is thinking through the kinds of delivery mechanisms that will prevent conflicts of interest in relation to energy efficiency advice and services. There is also a danger that, far from being green and decent jobs, these opportunities will be characterised by extreme fluctuations in work and hampered by training providers who prioritise their own short-term profits ahead of longer term sustainability and the public good. Many existing DEAs, who have invested their savings in the opportunities that the sector seemed to offer, have found the availability of work and potential income to be significantly exaggerated by training providers. From a union perspective, it is critical that these opportunities for 'green jobs' are decent and fair ones as well.

An on-line chat room for DEAs provides a litany of grievances against what some might rightly call a labour market ghetto:

"I am one of the many who has packed it in and am now feeling cheated by the whole DEA thing, primarily the training provider (& no doubt others) who have totally misrepresented the situation: fees, availability of work, number of DEAs, etc."

"A powerful Union for us DEA's would be great in an ideal world but as we all know this is far from an ideal world. Imagine if 10,000 of us said we will unite and work for no less than £70 per EPC. The other 3-4,000 would accept all the work at cut-price rates."<sup>10</sup>

Why does this matter and how would a local government solution provide a better answer?

First and foremost it is practically impossible to see how such a loosely co-ordinated sector can deliver systematic ‘street by street’ energy efficiency and community renewable advice on the scale required to reach the government’s targets. And let’s not forget that local authorities already know their areas street by street and, in many cases, have taken on the responsibility for reducing per capita emissions through the new performance indicators.

Secondly, a key component of the energy advice service should be trust. We believe that public servants, employed by the local authority, would be widely seen as trusted and accountable sources of information, better placed to join up energy efficiency measures with community level renewable schemes.

Thirdly, energy advice services should be joined up with delivery. A system where you have independent assessors and independent fitters

“hardships and sacrifices along the road to a low carbon economy have to be mitigated by the dividends of a fairer and more just society”

and providers lends itself to potential conflicts of interest. It also fails to deliver the wider jobs dividend that we believe will come with a more

joined up approach. The Local Government Association has called for a council-led programme to provide basic insulation measures in 10 million homes.

They estimate that this could cost £5 billion and create 20,000 jobs. Coupled with this, they

estimate that 300,000 homes could receive solid wall insulation through an energy loan scheme costing £1 billion over seven years. This would create an additional 5,000 jobs.<sup>11</sup> Put this together with a more structured DEA system, some of the more ambitious ideas the government have had for locally-owned low carbon energy solutions and greater local control over supplier obligation income and you’re in the realms of the kind of sustainability that could make a major impact. Public service lowering emissions, providing decent jobs with knock-on benefits for local economies, and lower fuel bills for vulnerable consumers at a time of rising real energy costs.

Finally, this matters because green jobs should be decent jobs. As previously stated, the transition to a low carbon economy requires a social and economic compact. There might well be hardships and sacrifices along the road to a low carbon future. This has to be mitigated by the dividends of a fairer and more just society if it is to win popular acceptance. For people at work that means a fairer labour market.

## Conclusion

Sustainability has social, economic and environmental dimensions. These should be embodied in our public services to the benefit of users, workers and the environment. But there are choices to be made. Public spending cuts and further privatisation threaten public services at a time when they need to take a longer term view and deliver more not less. They also undermine the potential of public services to lead the way towards a greener economy.



# standing at the crossroads: green jobs for a blue economy



# standing at the crossroads: green jobs for a blue economy

Bob Baugh, executive director of the AFL-CIO Industrial Union Council

“The nation stands at the crossroads of opportunity for domestic investments in innovation, new technology and energy efficiency that will save jobs, create new jobs and new industries and revitalize American manufacturing. There is no guarantee that these will be good jobs or that the investments will be made here unless we fight to make it so.”  
AFL-CIO executive council statement<sup>1</sup>

The March 2008 ‘Greening the economy’ statement by the AFL-CIO<sup>2</sup> executive council marked a dramatic and timely step forward for the trade union movement. At the heart of this statement is the belief that addressing global climate change, protecting our environment and achieving energy independence are critical to the economic, environmental and security interests of the United States.

Driven by necessity, pragmatism and vision, the AFL-CIO and its affiliates have made enormous strides in developing new policy, promoting research, building alliances, and having a clear union voice on the intertwined issues of climate and economics – i.e. good green jobs. There has also been progress in laying the foundation for a green new deal but it has been a long and winding road and the journey to a just transition continues.

## Déjà vu all over again

This isn’t the first time that American unions and the U.S. government have taken up the issues of energy independence, renewable energy and job creation. In the late 1970’s, under the Carter administration, the U.S. adopted an aggressive set of programs for wind, solar, biomass, shale oil and other forms of energy. A number of unions gravitated to ones specific to their industry or craft, such as the Sheetmetal Workers, who drove a solar technology agenda. Coalitions like the Environmentalists for Full Employment and the industrial union-driven Citizens Labor Energy Coalition sought to build bridges between unions, environmentalists, and communities. There were also related movements seeking production alternatives that could stop plant closing and for defense conversion. Many looked to the efforts at Lucas Aerospace in Great Britain as a model.

The presidency of Ronald Reagan brought all of this to a screeching halt. His election in 1980 signaled the triumph of neoliberalism. Reagan, like Margaret Thatcher, saw big government as the enemy, unions a roadblock and the free market as salvation. Deregulation, begun under Carter, became the rule of the day and union busting the law of the land. Privatisation

turned the public sector over to the private and the return of cheap gas, following the end of the oil embargo, hastened government's move out of the energy business. At the time, the U.S. was a world leader in solar, wind turbine, geothermal, battery and other alternative technologies. But union efforts to fashion a new energy and industrial policy failed and the nascent blue-green initiatives collapsed. It would be more than a decade before there was another major attempt to form a labour-environmental coalition and in that time the economic and environmental conditions would be radically altered.

### **The corporate box**

The deregulatory assault, engineered by Wall Street and transnational corporations, picked up pace over the next two decades. The nation was put into a 'corporate box' whose sides each had benign sounding names but contained policies with devastating consequences: labour market flexibility, small government, economic stability and globalisation. The liberalisation of trade policy in the 1990's and the deregulation of financial institutions set the stage for an economic implosion. Alan Greenspan, then chairman of the Federal Reserve, ignored and

**“Apollo created a clear vision of a plan for energy independence that created jobs, a cleaner environment and rebuilt communities”**

at times encouraged a series of speculative bubbles (telecom, credit, commodities) assuming the market would correct any problems. It led to an economy with 22 per cent of U.S. gross domestic product tied to

the paper profits and pyramid schemes of the financial sector.

The cost was a devastated manufacturing sector. Between 2001 and 2009 the U.S. lost over 5 million manufacturing jobs – more than 25 per cent of the sector. Trade deficits soared to record levels, \$800 billion in 2007, with China accounting for more than 60 per cent of the manufactured goods deficit in 2008. There has been a serious erosion in the nation's technical capacity to innovate and make things. The U.S. has been a nation without a manufacturing strategy in a world where all our competitors have one. The CEO of GE, Jeffrey Immelt, recently observed, “real engineering was traded for financial engineering.”<sup>3</sup>

The blown bubbles, failure of neoliberalism, intertwined climate/energy crisis and lack of strategy begs for a bold new environmental and economic development – one that can help revitalise manufacturing and the economy. The seeds of such a strategy, the Apollo Project, were planted during the second Bush administration.

### **The Apollo Alliance and the Blue-Green Alliance**

An attempt within the AFL-CIO to open a new environmental/labour dialogue in 2000 did not succeed. There were differences over the Kyoto agreement and elements of the environmental community that condemned all coal. Environmentalists talked about job creation, but it was more rhetoric than reality, and the unions could see job losses occurring but lacked clarity about where new jobs could be created. It was clear that starting with just

an environmental dialogue wasn't enough. It played upon existing fears and showed how easily an environmental dialogue without a clearer economic/job focus can falter over differences before ever reaching common ground.

Even so, individual unions and environmental organisations did work on specific issues together. For example, the United Auto Workers worked with the Natural Resource Defense Council on jobs and fuel efficiency and the Sierra Club worked actively with industrial unions on trade related jobs issues. The Apollo Alliance, aware of the history, began organising in 2002 under the umbrella of a progressive think tank, Campaign for America's Future. Their approach was one-on-one institutional organising that focused on the identification of key issues that people agreed upon while excluding ones where they did not. It worked.

Apollo created a clear vision of a plan for energy independence that created jobs, a cleaner environment and rebuilt communities. Their inclusive approach embraced new and re-engineered energy technologies, efficiency and smart growth and spoke to fundamental union values of jobs and security. They also provided real information about the potential job creation from massive public investment. Invoking the ambitious 1960's Apollo Project to put a man on the moon, the Apollo Alliance brought together the largest coalition of environmental and labour organisations ever assembled.

The AFL-CIO Industrial Union Council (IUC) embraced the Apollo Alliance energy investments as fitting naturally with a new set of trade, tax, health care and other policies to help revitalise manufacturing. By 2004, the Apollo Alliance had been endorsed by the entire AFL-CIO. Facing four more years of a Bush administration and a gridlocked Congress the Alliance took their work local, building alliances and working to pass state legislation. They have weighed in on climate legislation, supporting investing standards and other assistance to promote clean energy technology that creates good jobs. Apollo's work with the labour and environmental movement also helped pave the way for the development of the Blue-Green Alliance.

The Blue-Green Alliance (BGA) is a direct outgrowth of years of cooperative work on trade issues between the Sierra Club and industrial unions, a relationship that bloomed into a dialogue with the leadership of the United Steelworkers (USW). Launched in 2006 by the USW and the Sierra Club, the BGA has grown to include the Communications Workers of America, Natural Resources Defense Council, Service Employees International Union, Laborers' International Union of North America, Utility Workers Union of America and the American Federation of Teachers. The Blue-Green Alliance unites more than six million people in pursuit of good jobs, a clean environment and a green economy. It is a national, strategic partnership dedicated to expanding the number and quality of jobs in the green economy.

The partnership has been on full display during the climate debate and in the push to pass new labour laws in the Employee Free Choice Act. They ran ads and mobilised members in key states across the country to support the American Clean Energy and Security Act. On labour law reform, people have been shocked to see the nations largest environmental organisation work so openly and aggressively on a core labour issue. It is one of the core issues all the Alliance partners have agreed upon.

These issues include:

- passage of comprehensive clean energy and climate change legislation;
- restoration of the rights of workers in the United States to organise and bargain collectively;
- establishment of a 21st century trade policy that promotes growth and prosperity across all sectors of global society and embeds enforceable labour, environmental and human rights standards in our trade agreements; and
- creation of an informed 21st century policy on toxic chemicals that protects workers and communities from dangerous chemicals, enhances public health and promotes safer alternatives.

### **In search of green jobs**

The question of what is a green job hit home during the 2007 climate talks in Bali. The AFL-CIO and affiliate representatives were there as a part of the International Trade Union Confederation (ITUC) delegation to the United

Nations framework convention on climate change (UNFCCC) negotiations. In a meeting between U.S. labour and environmental leaders a union official first spoke with admiration of the branding job the environmental movement had done but went on to say, “it’s too bad green jobs don’t mean a damn thing to working people. It’s a shame because they should.” His point was that green jobs were always linked with wind and solar energy and too often defined as something new, different and estranged from the lives of most people. Further discussion revealed that this was not what either side meant and that we shared a much broader vision of green jobs that ranges from autoworkers producing electric cars to construction workers retrofitting buildings to be more energy efficient. As a result, our unions went home on a mission:

- 1 to broaden the definition of green jobs; and
- 2 to lay claim to the work and make certain that green jobs were good jobs.

The idea of defining green jobs and the real opportunities that they offer resulted in a lot of collaborative research over the next year between unions, environmental organisations, research groups and foundations. Sectoral studies, such as the ‘Manufacturing climate solutions’ series sponsored by AFL-CIO unions and the Environmental Defense Fund, demonstrate how specific clean/green technologies, such as high-performance windows, auxiliary power units, LED lighting and concentrated solar thermal power

**“green jobs were always linked with wind and solar energy and too often defined as something new, different and estranged from the lives of most people”**

of advanced coal with carbon capture and sequestration would require approximately 500,000 direct job-years of labour. We also supported research on the impacts of cap and trade on energy intensive industries and what could be done to retain and modernise these industries.<sup>4</sup>

These reports help demonstrate that green jobs are important, that it matters where things are made, and that new investments in a sustainable energy infrastructure must be structured to create good jobs in the United States. One lesson from the Reagan years was that the U.S. did lead the world in renewable energy technology. Today, we are home to only two of the world's 10 largest solar photovoltaic producers, one of the top 10 advanced battery manufacturers and two of the top 10 wind turbine producers. Last year, less than half of the record 8,300 megawatts of wind turbines installed in the United States were made in this country. In 2008, the United States ran an overall green trade deficit of \$8.9 billion, including a deficit of \$6.4 billion in the critical category of renewable energy. The AFL-CIO's goal is to turn those deficits around.

Many of these studies were joint efforts between unions and environmental organisations. As unions worked through the issues of how

contribute to job creation. A union endorsed study by BBC Research showed that the construction of 20 gigawatts

green jobs can be created and the investments and standards needed, the environmental organisations took these insights on board and went through a learning curve of their own as the idea that good, green sustainable jobs can be both created and saved took shape. In many respects, leading environmental organisations exhibited both a political pragmatism and a heightened awareness and sensitivity to the economic implications of domestic action.

In terms of defining a green job, two simple overviews are provided from the AFL-CIO and the Blue-Green Alliance:

“Our members and workers everywhere – with their knowledge, skills and experience – have valuable insights to offer for the greening of the workplace and the community. The greening of the economy means that every job that contributes to a low carbon future is a green job.”

AFL-CIO, Greening the Economy statement

“They are blue-collar jobs with a green purpose. It is important to define green jobs in broad and non-restrictive terms. Basically, a green job is one with good wages and benefits, including an upward career pathway, doing work that increases environmental sustainability and contributes to a low carbon future.”

Dave Foster, Blue-Green Alliance

### **Going green – the Green Jobs Center**

The AFL-CIO also conducted a survey of its 56 affiliates to get a better handle on what unions were doing in relation to climate and green jobs. There was a great deal of anecdotal

evidence from the field that unions were engaged locally in a variety of activities, from apprenticeship training and skills upgrade programs in solar and wind turbine technology to supporting new energy efficiency codes and renewable energy standards. To bring a work and workplace focus to the Federation's effort the Green Jobs Center was created within the Working for America Institute, a not-for-profit think tank and technical assistance organisation affiliated with the AFL-CIO.<sup>5</sup>

**“the Green Jobs Center works to ensure that green jobs are good jobs – paying family sustaining wages with health benefits, retirement security and opportunities for advancement”**

Center seeks to help unions across the country provide American workers with the training and education they need to prosper in a new green economy. It works to ensure that green jobs are good jobs: jobs that pay family-sustaining wages, provide health benefits and retirement security, and offer workers opportunities for advancement.

The Center has moved quickly to assist union leaders across America and is focusing its work on labour unions that are uniquely positioned to help train a new labour force and shape investments in a new clean energy economy. It has reached out to unions across a broad array of sectors from building, construction,

With its slogan, ‘helping train American workers for good green jobs’, the Green Jobs Center was launched in response to the worst economic crisis since the Great Depression. The

retrofit and electric power, to automobile, manufacturing, mining and public sector mass transit. It is providing guidance to many of these labour groups on how to apply for green jobs training grants totaling \$500 million under the American Recovery and Reinvestment Act. The Center has delivered scores of webinars designed to assist union members and their allies in competing for the federal funding and is providing hands-on technical assistance.

The Center is also working with the National Labor College to develop a green workplace certificate. It is modeled after the programme that has successfully developed health and safety workplace representatives and is drawing upon the excellent green workplace materials developed by the TUC in the UK. The green workplace program will train union leaders to advocate for greener processes in the workplace, form joint labour management committees and negotiate greening provisions in collective bargaining agreements.

### **Principles for environmental economic development**

In the legislative arena the AFL-CIO has been guided by its energy task force. The task force, with broad representation from across the AFL-CIO, was created at the urging of the Industrial Union Council and other affiliates in the autumn of 2006. They saw that climate and energy would be major issues that fit their agenda for revitalising manufacturing. A short paper by the task force, ‘Jobs and Energy for the 21st Century’, surprised many people with its acknowledgement of the scientific evidence of

global warming and that “human use of fossil fuels is undisputedly contributing to global warming causing rising sea levels, changes in climate patterns and threats to coastal areas.”<sup>6</sup> The paper served notice to Congress, environmentalists and industry that labour would be an active participant in the debate and that we had a set of environmental and economic principles guiding our work.

The AFL-CIO supported a new environmental economic development policy, which placed manufacturing and trade at the center of a green economy program. It called for new investments in a sustainable energy infrastructure structured to create good jobs and ensure stable energy prices. In turn, these must be supported by effective trade policies. Without these key elements, we saw a serious risk of driving good jobs offshore into nations without emission regimes and far less carbon efficient production.

A set of environmental economic development principles helped guide the Federation’s AFL-CIO’s efforts:

- our nation should embrace a balanced approach that ensures diverse, abundant, affordable energy supplies, creates good jobs for America’s workers and improves the environment.
- our nation should adopt an economy-wide cap-and-trade program that is transparent and requires all sectors to come to the table to reduce their carbon emissions. It should have timetables and standards that allow for

the development and deployment of new technology and should help finance the new technologies that can provide clean energy at prices close to conventional sources.

- energy incentives and investments by the federal government must be based on a set of economic development principles that clean the environment and create jobs but will not encourage offshoring of manufacturing jobs.
- investments must be used to identify, develop and capture cutting-edge technologies and to manufacture and build these technologies here for domestic use and export.
- the international component of any climate change cap-and-trade programme must provide both incentives and a border mechanism enforced through a trade regime, to ensure that major developing nations, such as China and India, participate.
- there must be adequate resources to both address the transition needs of workers and communities adversely affected by legislation, as well financial assistance to assist low and moderate income families.

The principles gave direction but there was a constant learning-by-doing process in working through the legislative process. Good intentions have to be backed up by strong legislative language, such as the application of prevailing wage laws for construction-related projects and contractor standards (environmental, labour, health and safety). ‘Buy American’

provisions have been on the books for 70 years and they need to be enforced to ensure that these vital public resources are invested in the U.S. economy for job creation. The financial resources should be leveraged with private capital to attract the best technology in the world and have it made domestically.

The ITUC concept of a just transition also resonates with the principles the American labour movement has pursued. A just transition to a greener economy requires an aggressive, sustained commitment of national resources to create and retain good jobs, increase per capita income, modernise industry, develop and deploy technology and educate and train workers. It requires assistance for any workers, families or communities that may be adversely affected by the transition, and a democratic voice for workers in their workplaces and in their communities. These are the ideals and investments we have fought for in the Employee Free Choice Act and the stimulus and climate legislation.

### **Investing in green jobs**

Efforts to make a down payment on a new energy/climate policy became apparent in the 2009 American Recovery Act. The AFL-CIO pushed hard for a green stimulus package that resulted in over \$80 billion targeted at green infrastructure. This included: \$11 billion

towards a smart electric grid, \$3.4 billion for CCS, \$2 billion for ion lithium and future generation batteries,

**“we have found that most green jobs training is about new skills for old jobs and old skills for new jobs”**

\$15 billion for federal building efficiency, \$11 billion for home weatherisation, \$20 billion for wind incentives, \$8 billion for mass transit, \$1 billion for training in green jobs and more. The green jobs training calls for labour, employer and community partnerships and covers industry that is re-skilling people for new technology on the worksite and in the workplace e.g. building/construction, weatherisation, utilities, manufacturing, etc. We have found that most green jobs training is about new skills for old jobs and old skills for new jobs. The legislation also incorporated prevailing wage guarantees and Buy American procurement coverage.

The same investment focus by the AFL-CIO is part of the American Clean Energy and Security Act that was passed by the House of Representatives in May and will come before the Senate in Autumn 2009. This legislation covers over 83 per cent of carbon emissions. It includes investments in new clean energy: \$90 billion for energy efficiency and renewable energy, \$60 billion for carbon capture and sequestration, \$20 billion for electric and other advanced technology vehicles, and \$20 billion for basic scientific research and development. Once again, there are prevailing wage provisions and some domestic investment provisions that we will seek to strengthen in the Senate. There are also major investments in energy intensive industries and for worker and family assistance.

It mandates new energy saving standards for buildings and appliances, and promotes energy efficiency in industry. There is a requirement

for 20 per cent to come from renewable energy sources and energy efficiency by 2020. It sets a standard for reducing carbon emissions from major U.S. sources by 17 per cent by 2020 and over 80 per cent by 2050 compared to 2005 levels with complementary measures to prevent tropical deforestation for additional reductions. Finally, it protects consumers from energy price increases with estimates showing it will cost average American families less than 50 cents per day.

**”there has been a willingness to talk between the environmental and labour movements, with a real and productive learning curve in turning green jobs from a slogan to a reality”**

Throughout the process the labour movement worked with the environmental movement on the issues we agreed upon and at times

we differed strongly. We have had strong differences over the 2020 targets and at times over the allocation of allowances, especially any ‘free allowances’. It is also worthy to note that there are significant differences within the environmental community on this agenda. The larger more mainstream ones, such as the Environmental Defense Fund, the Sierra Club and the National Wildlife Federation have been willing to talk and at times compromise. That has not been the case with others. Even so, there has been an open line of communication and a willingness to talk and attempt to answer tough questions and find common ground. It is in the area of job creation, job retention and job standards where there has been a real and productive learning curve in turning green jobs from a slogan into a reality.

### **A green new deal, a just transition**

The AFL-CIO, like our union brothers and sisters in the TUC, are committed to the proposition that we can have a cleaner planet and good jobs. A green new deal must be part of a just transition of the economy. We do stand at the crossroads of opportunity for domestic investments in innovation, new technology and energy efficiency that will save jobs, create new jobs and new industries and revitalise manufacturing. But there is no guarantee that these will be good jobs. Together we must fight to make it so.

# championing the environment in the workplace



# championing the environment in the workplace

Paul Hampton, LRD

The scientific evidence for global warming is overwhelming and with work related activities accounting for at least half of fossil fuel emissions, it is legitimate to ask what trade unions are doing to tackle dangerous climate change. The short answer is: unions are making a huge contribution and want to do more.

The role of unions in tackling climate change is often neglected. Ministers focus on action by government, business and individual households. Trade unionists are relevant to all these sectors, but are frequently omitted from policy strategies. Fortunately, some far-sighted commentators are beginning to realise that without the involvement of collective organisations and without a mass, progressive movement, averting climate chaos will be impossible.

**“trade unions are the real green champions in the workplace and have an irreplaceable role in ensuring a just transition to a low carbon economy”**

argued that the third sector, including unions, “holds the key to mobilising public concern, behaviour and political mobilisation, and to success in the struggle against climate change.” This is because, “Individual action on the scale

Stephen Hale, writing earlier this year in the Green Alliance pamphlet, ‘The new politics of climate change’,

necessary will only emerge through collective decisions in networks and communities with which people have strong personal affiliations, and which can give them the motive and opportunity to act.”<sup>1</sup>

A TUC survey of union representatives (reps) earlier this year, carried out by the Labour Research Department (LRD) provides substantial evidence to support this view. It found that trade unionists are the real green champions in workplaces and have an irreplaceable role in ensuring a just transition to a low carbon economy.

Some 1,301 union reps and activists from 30 different unions responded to an eight-page online questionnaire in February/March 2009. The survey showed how far unions have come in recent years. The TUC’s ‘Greening the Workplace’ report in 2005 highlighted a handful of union examples of environmental action. Now, only a few years later, the TUC’s Green Workplaces project has involved six model workplaces and is expanding. And the survey indicates that large numbers of union reps are now incorporating climate change into their work.

As Brendan Barber, TUC general secretary put it:

“The survey indicates the remarkable progress made by unions on environmental issues in recent years. Now unions can boast thousands of climate champions making a substantial contribution towards cutting carbon emissions across the UK.”<sup>2</sup>

The survey comprehensively answered the cynics who question unions’ engagement with climate change. Reps were specifically asked about their concern for climate change in the current economic situation. A very high proportion (44 per cent) said they were more concerned about global warming this year compared with a year ago, while another half (50 per cent) said their concern was about the same.

### **Unions making a difference in the workplace**

Unions have the proven ability to deliver progressive change on working conditions, safety and equality. It was therefore no surprise to find that union reps and their members are making a significant voluntary contribution towards tackling climate change at work, as the following two examples demonstrate.

### **Greening workplaces in York**

PCS, Prospect and FDA unions within Defra are part of the TUC’s Green Workplaces project. A detailed report submitted by reps to the LRD survey indicates the scale of their achievements, much of which has been driven by union reps: Defra’s York Refresh project has provided two BREEAM Excellent rated refurbished

office buildings, and a new BREEAM Excellent catering facility – one of the highest scores for a major refurbishment project within the assessment period.

The new catering facility has been designed with a sedum green roof providing significantly increased insulation properties, reduced rain water run-off and improved biodiversity on the site. Sun pipes have been incorporated to reduce the need for artificial lighting and the building’s structure is formed utilising glulam timber beams procured through sustainable sources.

The two office buildings have been refurbished, minimising waste output whilst maximising the recycling of any waste materials produced. A number of low carbon technologies have been introduced to the site including solar thermal hot water to heat staff showers and ultra low NOx gas fired boilers. Two 16,000 litre rainwater harvesting tanks have also been introduced to flush all toilet facilities. These technologies, combined with state-of-the-art intelligent lighting controls, zoned sub-metering of utilities consumption and an advanced building management system have been designed to help the building user monitor their own zone’s energy and water consumption.

In conjunction with the York Refresh project, the ‘bin-the-bin’ programme has been rolled out across the site with the introduction of waste recycling facilities helping to reduce the amount of waste sent to landfill. Energy efficient laptops have also been introduced.

### Colleges learn to be green

The UCU rep at Sussex Downs College offers another good example. Two years ago the rep was made green coordinator, with four hours a week paid by the college in addition to her teaching. The result has been changes to the curriculum, integrating sustainability into teachers' work and a range of green promotional activities across campuses, including green weeks and green travel days.

“unions have the proven ability to deliver progressive change to working conditions, so it is no surprise to see them making strides in tackling climate change at work”

The college now has an environment policy, increased recycling across all sites, IT turn off computers remotely at night, a five-year rolling program to buy more energy efficient computers, a list of green companies for procurement and increased bus services. The college is looking at the development of semi-intelligent buildings and other energy saving initiatives including biomass boilers, grey water systems, increased insulation and glazing and the use of renewable energy sources, such as wind turbines. Meanwhile, the curriculum has been modified to provide students with the skills needed for a low-carbon economy, with engineering students building a windmill at one site, carpentry students using reclaimed woods and plans for modules next year in sustainable carpentry and green chemistry.

The college now has an environment policy, increased recycling across all sites, IT turn off computers remotely at night, a five-year rolling program to buy more energy

### Catalysts on climate change

Unions have a strong interest in tackling climate change and enormous capacity to bring about emissions reductions. With their presence in the workplace, understanding of what will work and relationships with fellow employees, they are well placed to advocate and drive green change. Negotiated agreements, climate committees, audits and inspections, training and union events are all ways in which union reps act as catalysts on climate change in the workplace.

#### Climate agreements

Unions across the private and public sectors have signed agreements containing a significant environmental component. Such agreements institutionalise the role of union reps and union members in reducing emissions and recognise their role in encouraging employee engagement.

During 2008, management at Western Power Distribution agreed to expand the remit of the safety committee, to make it a safety, health and environment (SHE) committee and to allow four additional environment reps to sit on the body – one each from the four recognised unions – Prospect, GMB, UNISON and Unite. The agreement includes time off for training for the environment reps, as well as for existing safety reps, in recognition of the complexities of climate science and the rapidly developing government policy on the issue.

UNISON, Prospect, Unite and GMB unions within energy firm EDF have negotiated an international agreement on corporate

responsibility that includes commitments to tackle climate change. The agreement, originally signed in 2005 and revised this year, commits EDF to “contribute to the development of renewable energies” and “develop an active policy to promote energy eco-efficiency.” It also commits the firm to, “respect its employees’ engagement in trade unions and in particular ensure protection against any discriminatory acts jeopardising the freedom to organise”, and to industrial and social dialogue with union reps.

### Climate committees

The LRD survey found significant numbers of union climate activists with real leverage in their workplaces. It also found a wide variety of workplace committees discussing climate change and related issues. The joint management-union health and safety committee was the most popular forum for discussing climate-related issues, with over 200 examples.

The survey also found over 150 working parties on the environment/climate change (11 per cent) had been established and over 80 examples of joint management-unions environment committees (6 per cent). Around a third of the reps surveyed had taken part in some sort of organised structure for discussing environmental issues.

Burnley Borough Council was a good example. Unison reps said: “The Council is on the Carbon Trust’s scheme for reducing its carbon footprint. There is an active steering group made up of managers, union reps and

interested employees which is led by one of the directors and also includes one council executive member and two other councillors. We are currently sifting through ideas that came from staff at a recent round of workshops open to all staff.”

These committees can also be a means of achieving change beyond the workplace. The environment committee at Benton Park View, part of HM Revenue and Customs, has made links with local environmentalists, schools and other trade unions to campaign on energy efficiency and plan a ‘green new deal for the region’. Efforts like these demonstrate the real potential of trade unions to achieve change where they work and their ability to add weight to diverse local and national coalitions campaigning for action on climate change.

### Audits and inspections

Around 11 per cent of reps had carried out some sort of environmental survey, audit or inspection of their workplace, one of the most effective ways of kick-starting an emissions reduction campaign.

GMB reps reported on the creation of a green reps network “to carry out green audits of workplaces which has been backed by management, and a joint union/management environmental committee created to deal with green issues within the organisation.” PCS reps in Revenue and Customs have done a “comprehensive survey on the effects of office closures increasing the carbon footprint of the employer due to staff

having to relocate to offices further from their home.”

### Engaging workers in the green challenge

Union training is widely respected for its quality and enduring benefits. Around one in seven union reps (14 per cent) said they had attended some training on environmental issues and climate change as part of union training. However, over 1,000 reps who have had some engagement with environmental issues had not attended union training on the environment.

The ability of union reps to share their knowledge with colleagues and engage them in the green agenda is also extremely valuable. Union reps in the Department for Work and Pensions have run climate change courses for staff that promoted green initiatives and PCS has organised ‘green gurus’ in one of their offices to educate people on green issues. Examples like these demonstrate the potential of union reps to act as green champions in their workplaces, encouraging and supporting their colleagues to become more environmentally aware, at the same time as working to embed sustainability in the management practices of their employer.

Another great example of the potential of union reps to help drive change beyond the workplace is the training on ‘greening at home’ that a set of union reps ran with the Climate Outreach Information Network (COIN). This is a good example of unions making productive links with other third sector organisations but, more importantly, it demonstrates the

potential for unions to encourage people to make changes at home and in their wider lives whilst reinforcing those messages at work. This potential is significant and should be maximised.

Events are another important means of achieving wider engagement with green issues. In total, nearly 80 reps said they had organised a themed green event. UCU reps at City and Islington College ran a sustainability week twice in the last year, which included film shows, an information fair and an eco-forum. And a PCS branch has run a ‘Question Time’ session with local industry leaders, farmers and reps from Greenpeace to debate environmental issues.

### Union complaints and concerns

Union reps are committed to reducing greenhouse gas emissions at work through more efficient energy use, changes to transport and recycling. However, despite their engagement with employers through the forums described above, there was still widespread concern that employers are simply not doing enough in these areas.

On energy, union reps revealed that only 4 per cent of employers have taken comprehensive action to install renewable energy sources such as wind turbines and solar panels, and three-quarters (74 per cent) have taken no action. And only a disappointing 12 per cent of employers have taken comprehensive measures to insulate and glaze their premises – with getting on for 45 per cent taking no action on what is one of the easiest and most cost-effective ways to reduce emissions.

On transport, union reps said that only one in ten workplaces (10 per cent) have comprehensive green travel plans, while more than half of employers (52 per cent) have taken no action to develop a plan, despite union support for it. Just 8 per cent of employers provide substantial subsidies for public transport use and less than one in four employers (23 per cent) provide comprehensive facilities for secure cycle storage, lockers and showers to support cycling to work. Less than one in five (19 per cent) offer substantial subsidies for cycling equipment.

LRD also asked reps whether their employer had taken any measures to adapt to climate changes and extreme weather events such as warmer summers, drought, flooding and storms, which are already taking place. The survey revealed that most employers had failed to take the measures necessary with most of them unprepared for severe weather events such as floods and storms, despite recent experiences. Less than one in eight employers (13 per cent) has a comprehensive contingency plan in place to cope with extreme weather and nearly half (46 per cent) have taken no steps to plan for these emergencies.

Concern about this lack of progress demonstrates the importance of union feedback on employer's environmental policies and the importance of the climate change agreements they secure, their participation in environmental committees and the audits they carry out. They ensure that union reps have a means to lobby for improvements and to monitor progress, or lack of it.

### **Advocating for change**

Union reps are an important means of monitoring employer progress and commitment to environmental action and advocating for stronger commitment where they feel it is lacking.

Many union reps currently feel that there has been very little creation of green jobs or any green up-skilling by their employers. Fifty three per cent of unions do not think their employer has created any green jobs and 57 per cent are confident that there have been no opportunities for re-skilling or up-skilling in relation to climate change. Those jobs that have been created tend to be due to new regulation and include the creation of posts for climate change officers and the like.

To an extent this is understandable because unions are looking to emerging low-carbon industries or the expansion of services like energy efficiency retrofit to deliver green jobs. But, as Unite and the UCU point out in chapter 1, green skills will be needed across the economy. Every sector will need an uplift in environmental literacy if they are to embed sustainability, so the dearth of green skills opportunities to date is of concern.

Any delay in employers identifying and addressing green skill gaps is a delay in our ability to move towards a low carbon economy. Union reps have a key role to play in monitoring their employer's progress in this area and advocating for greater access to green jobs and skills.

### Fulfilling their potential

The important thing to note about all of the activities described above is that much of the activity is largely voluntary and achieved without dedicated time off for environmental activities. This is a credit to union reps but should not be the norm. Time off for environmental activities is vital if union reps are to contribute significantly to efforts to reduce emissions. A great deal more could be achieved if green reps had this right and

“any delay in employers identifying and addressing green skills gaps is a delay in our ability to move to a low carbon economy”

could have more time to be properly trained on the issues they work on and to carry out their functions as environmental representatives.

Some union reps have already negotiated agreements that allow some facility time to be devoted to environmental issues. Fourteen per cent of respondents (193 reps) had been given time off for this work. For example, Unison reps at Bristol City Council are negotiating a green rep agreement that will allow one day per month to be devoted to environmental matters. But almost three-quarters (73 per cent) of the reps (940) said they did not have facility time for environmental work. In other words, nearly five times as many eco-conscious reps lacked time off at work to put their enthusiasm into practice, compared with those who do have this facility.

More seriously, a significant number of reps (49) said they had been refused time off to attend union training on climate change and environment. For example, a PCS rep in one government department was initially unable to get facility time off for an ordinary members training session on the environment. It was agreed later after the problem had been passed up the management chain. Another rep said: “Management don’t like to give union reps release time to carry out any of their duties.”

The TUC wants the Acas code of practice, ‘Time off for trade union duties and activities’, revised to recognise the role of unions in formal consultations with the employer on sustainable production and consumption. Environment reps would get a minimum of 10 days training and would have the right to reasonable paid time off to carry out their functions and access to information and facilities.

As Frances O’Grady, TUC deputy general secretary put it: “Union reps with legal powers to act on climate change at work represent colossal untapped potential, which should be unleashed. Playing our full part in the fight to prevent dangerous climate change is an important part of union renewal, bringing new reps into the movement and engaging with the fundamental questions of our age.”<sup>3</sup>

# a European approach to tackling climate change



# a European approach to tackling climate change

Joël Decaillon, confederal secretary of the ETUC

The European Trade Union Confederation (ETUC) considers climate change to be a major threat to our societies and our economies, one that will impact first and foremost upon the most vulnerable individuals and workers, particularly in the developing countries.

The European Union, together with all the industrialised nations, must take the lead in combating this threat and transform emissions reduction into an opportunity to create quality

“just transition programs are the best way to manage structural changes in employment patterns due to climate change, maximise new jobs and minimise negative impacts”

jobs and lessen social inequalities, while reducing the negative effects on workers and their families.

The EU energy and climate change package is a major

step forward because it tackles greenhouse gas emissions in a greater number of sectors than previously, provides a credible framework for the development of renewable energy sources and aims to put in place a more effective emissions trading scheme by setting an EU-wide emissions ceiling.

It is nevertheless vital that social and employment issues are properly taken into

account, particularly in a globalised context. The ETUC has been making the case for this in line with the recommendations of its European-wide study ‘Employment and climate change’ published in 2007,<sup>1</sup> and in the context of the economic crisis and the growing number of unemployed.

This chapter sets out the ETUC’s position on the energy and climate package and proposes the adoption of complementary measures that will reinforce the environmental and social ambitions of the European Union.<sup>2</sup>

## 1. Include the climate plan in the Lisbon Strategy and sustainable development

The ETUC is asking for a real integration of climate policy and the Lisbon Strategy for growth and jobs and asks for a just transition.

As chapter 1 argues, just transition programs are the best way to guarantee that structural changes in employment patterns due to climate change mitigation are anticipated and that the potential for new jobs is maximised, while ensuring that workers are not forced to pay for the necessary mitigation measures through the loss of their livelihood.

Such programmes should include:

- the anticipation of changes in employment and skills resulting from climate change mitigation measures and from the need to adapt to climate change;
- education programs, training and retraining opportunities for students and workers to ensure that they acquire the required skills and can contribute to the development of new sustainable industries and services, and that more jobs are created, that are also good jobs;
- research and development, innovation and deployment of new and more energy efficient technologies;
- support for the provision of alternative employment and social protection for displaced workers;
- reinforcement of the social dialogue from the company level to the international level on these issues, as workers and employer organisations propose measures and reach agreements contributing to this just transition;
- public investment and redistribution of financial flows towards investments contributing to sustainable development; and
- measures to guarantee and improve access to energy for all to cover their basic needs.

The ETUC also asks that the European globalisation adjustment fund (EGF) be enlarged so as to limit the negative

consequences for workers of measures to combat climate change. The EGF supports workers who lose their jobs as a result of changing global trade patterns so that they can find another job as quickly as possible.<sup>3</sup>

A large share of the investments required to achieve the package's objectives cannot be borne by the financial market alone because the return periods are too long: railway infrastructure, thermal renovation of buildings, R&D, transfers of best technologies to the developing countries and so on. Massive financing geared towards the general interest must be raised in a fairly brief period of time.

The ETUC therefore proposes the launch of a European financial initiative for sustainable growth. The European Investment Bank (EIB) could raise funds on the international bond market and lend them on, together with subsidies, to governments that invest in combating climate change and promoting energy savings. This initiative would result in a temporary increase in public deficits but would have other collateral benefits: creating jobs, forestalling the recession while defending purchasing power and quality of life in Europe.

## **2. Binding consultation of the European social partners on climate change policies**

Given the tremendous economic and social stakes of European climate policy, the ETUC calls on the Commission, European Parliament and member states to establish a consultative committee of the European social partners (trade unions and employers' organisations engaged in social dialogue) on energy and

climate policy, with the launch of real social negotiations between social partners on the economic and social consequences of the package.

The one-off consultation prescribed by the directive on revision of the emissions trading scheme (ETS) is not sufficient.

**“given the tremendous economic and social stakes of European climate policy it is essential that social partners are properly consulted on its consequences”**

The energy package will not succeed unless solutions are negotiated by industry, workers and public

authorities with the pledge of a genuinely democratic and fair transition to a low carbon economy. A number of member states have already put in place mechanisms for consulting their social partners. These have demonstrated their effectiveness at increasing awareness among the social players of the efforts needed and in achieving emissions reductions without a negative impact on employment.

### **3. 20 per cent emission reduction by 2020 as a minimum**

In the absence of an international agreement, the ETUC considers the 20 per cent target set by the European Union as a minimum. The latest report by the IPCC experts, published before the Bali Conference, recommends that industrialised countries achieve a 25 per cent to 40 per cent reduction in emissions by 2020 from 1990 levels.

### **4. Priority should be given to energy efficiency**

Even these minimum targets for the reduction of emissions will be hard to attain at a reasonable cost if energy consumption continues to grow. The ETUC regrets the absence of binding energy savings objectives in the legislative package and calls on the European authorities and the Commission to set a legally binding target for energy efficiency by 2020, broken down into national targets. Given the insufficient results of the Action Plan for Energy Efficiency adopted in 2006, this is badly needed.

### **5. Burden sharing by the economic sectors that takes account of the need to maintain a sustainable industrial base in Europe**

The principle of fairness and the potential for reduction of emissions in reference to best available technologies (BAT) are the key elements that must guide the setting of targets for the different sectors. The calculation of burden sharing between the economic sectors should be based on parameters that reflect best available technologies and the potential costs and benefits for employment.

### **6. Revision of the emissions trading scheme (ETS)**

The ETUC approves the single emissions ceiling at EU level, the enlargement of the system to new sectors, the harmonisation of permit allocation methods and the principle of auctioning emissions permits for sectors protected from international competition.

In regard to allocation methods we support a combination of selling allowances and free allocation according to benchmarking principles based on best available technologies. But determining the share of each mode must account for the impact on European workers and be determined through consultation with trade union organisations with implementation that is progressive from 2013.

We are currently very doubtful about how the question of the competitiveness of energy intensive industries in Europe is being addressed. The Commission's proposal maintains the possibility of adopting free allocations and border compensation measures to prevent European industry from having to cope with unfair competition from companies operating in countries that do not apply similar emissions reduction measures. But implementation arrangements and timings are shrouded in uncertainty. This lack of clarity about what to expect beyond 2012 is particularly harmful to long-term industrial investments in those sectors.

The directive should include an import adjustment system for the energy intensive industries that are exposed to international competition (whether a carbon tax or the inclusion of importers/exporters in the carbon market), with the possibility of activating it from 2013 if other industrialised countries do not regulate their emissions in an equivalent way. The impact of carbon pricing on the electricity prices paid by those industries should also be taken into account.

Free allocation is supported by the ETUC provided that it is based on the best available technologies and that it is complementary and not alternative to a border compensation mechanism. In the absence of a compensation mechanism, businesses could sell their free quotas on the European carbon market and still relocate their production in countries where production costs are lower. The free allocation of quotas would amount to a subsidy to these industries without any guarantee of activity and jobs.

The debate over decisions like this one on compensation measures illustrates the importance of consulting the social partners before the decision is taken.

The ETUC also wishes to draw attention to the need to avoid the possibility of manipulation and speculation on the carbon market by guaranteeing the transparency of auctions and the accreditation of auction participants. A regulatory authority for the European carbon market should be established.

We also note that auctioning allowances to electricity producers will generate very high revenues for member states (estimated at €40 billion). A significant part of these proceeds should be pre-allocated to investments in energy savings and public transport, so that less favoured households can reduce their dependence on costly energy and transport, and to assistance for workers displaced as a result of the transition to a low carbon economy.

The flexibility mechanisms raise concerns due to the absence of a social and environmental quality requirement for projects entitled to clean development mechanisms and joint implementation credits. These projects should be subjected to an approval procedure at the national level, with the evaluation criteria set at the EU level in order to ensure a level playing field across Europe.

The criteria should include:

- the project promoter's pledge to respect the principles of the OECD's guidelines for multinationals, the eight ILO basic conventions and conventions on occupational health and safety and on indigenous and tribal peoples;<sup>4</sup>
- social sustainability, covering employment (number of jobs created, skills development, quality of employment), equity and access to essential services such as energy services; and
- the involvement of the trade union organisations in the projects approval procedure.

### **7. Proposal for a directive on renewable energy**

Considering that renewable energy and cogeneration should rank significantly higher in EU energy consumption in the future, the ETUC supports the legally binding objective of 20 per cent of energy from renewables by 2020.

The directive contains elements crucial for accelerating that evolution, in particular:

- a support mechanism for heating and cooling produced from renewable energy sources, including cogeneration by biomass;
- the obligation for member states to introduce renewable energy requirements for local authorities when planning and building industrial and residential areas, and
- the development of accreditation systems for renewable energy installations, such as solar panels.

### **8. Social cost of electricity prices**

The Commission anticipates that the climate change package will result in electricity price increase of between 10 and 15 per cent by 2020. In this context, the ETUC calls for measures to prevent negative social impacts of rising energy prices, the priority being to reduce energy needs by investing in the energy efficiency of social housing and affordable low-energy alternatives. Universal access to essential energy services needs to be secured for all people living in Europe, notably through the provision of social tariffs.

We welcome the Commission's plans to comment on these issues and urge them to assess the social consequences of the climate change package in context of an opening-up of the electricity and gas markets, addressing in particular their impact on vulnerable consumers and public service obligations.

## Looking ahead

It is essential that policies and measures designed to tackle climate change take into account – and also fight against – environmental and social inequalities in order to achieve progress. If this challenge is approached from a purely environmental point of view there is a significant danger that increased social inequality will result.

This dual approach will not happen automatically. We need to see political commitment to guaranteeing positive social outcomes and provide decision makers with all the facts, insights and recommendations that they need in order to optimise synergies between social and climate policies.

**“if the climate change challenge is approached from a purely environmental point of view there is a danger that increased social inequality will result”**

This is why the ETUC has started a new project that focuses on climate change, new industrial policies and paths out of the crisis. This

is a follow up to our 2007 study on climate and employment and is being conducted in collaboration with the ETUC European industrial federations. It should lead in the near future to new recommendations for European policy makers – recommendations that will be driven by the ETUC’s willingness to contribute to environmental and social progress and to building a sustainable society.



# delivering a green new deal



## delivering a green new deal

Ann Pettifor, fellow of the new economics foundation  
and co-author of the Green New Deal

The Green New Deal – ‘Joined up policies to solve the triple crunch of the credit crisis, climate change and high oil prices’ was published in July 2008 by the new economics foundation (nef). Its co-authors were: Larry Elliott, economics editor of the Guardian, Colin Hines, co-director of Finance for the Future and former head of Greenpeace International’s economics unit, Tony Juniper, former director of Friends of the Earth, Jeremy Leggett, founder and chairman of Solarcentury and SolarAid, Caroline Lucas, Green Party MEP, Richard Murphy, co-director of Finance for the Future and director of Tax Research LLP, Ann Pettifor, former head of the Jubilee 2000 debt relief campaign and campaign director of Operation Noah (and author of this piece), Charles Secrett, adviser on sustainable development and former director of Friends of the Earth, and Andrew Simms, policy director at nef.

In autumn 2008 Colin Hines and I, as co-authors of the green new deal, were privileged to address a TUC-led working group on sustainable development at Congress House. We were warmly received, and explained that one of our most important objectives in drafting the green new deal was to provide a platform that could unite and solidify relationships between those active in both the green and labour movements. Too often, we said, activists from both movements remain holed up in their own ‘silos’ and fail to build the kind of alliances essential to achieving change. My experience of both the anti-apartheid movement and the Jubilee 2000 campaign had taught me that the broadest possible alliance, built around simple key demands, is necessary if we are to challenge entrenched interests and achieve change. Well aware that green campaigns like that at Kingsnorth power station had alienated many in the union movement, we nevertheless hoped that the green new deal would help bridge the gap and start effective dialogues between both movements.

We explained that the green new deal report had tried to deal with the triple crunch of the financial crisis, peak oil and climate change. We talked briefly about the threat of climate change and the overwhelming scientific evidence that starkly illustrates the need to dramatically cut our greenhouse gas emissions

if we are to avoid sea-level rises, widespread coastal erosion, an increase in extreme weather events and, ultimately, the catastrophic destruction of our ecosystem and the ensuing displacement of millions of people.

We argued that there is an urgent need to transform the British and the global economy in order to protect our environment and limit

**“at the heart of the green new deal strategy is the mobilisation of a ‘carbon army’ of green-collar workers”**

the way in which we live beyond our means – both financial and ecological. We talked of the threat of peak oil and the

need to adapt, either to life without oil, or to very expensive oil. We touched on the sensitive subject of coal and expressed our scepticism that clean coal technology was ready and able to clean up coal in time to limit dangerous global emissions.

And we told our good news story. That in adapting to the threat of climate change, peak oil and the financial crisis, the green new dealers have developed a bold economic strategy and taken pains to explain how it could be financed (more of which below).

At the heart of the strategy is the mobilisation of a ‘carbon army’ of green-collar workers – skilled, semi-skilled and unskilled, manual, technical and professional.

The current financial and environmental crisis, while profoundly threatening, also provides extraordinary opportunities for the labour

movement. The rising tide of extreme weather events means that Britain’s people, towns and cities will need greater protection from floods and drought. And because the private banking sector has blown a veritable crater out of the global economy, with collapsed output, rising unemployment and bankruptcies, government will have to step in to assist the private sector. Furthermore, with rises in the price of oil and therefore transport costs, local production – agricultural and industrial – is going to be more important in the future. All this leads logically to the creation of millions of new jobs to revive the economy, insulate Britain’s homes and factories, shore up our flood defences, build wind turbines and produce goods and services locally.

We drew breath, sat back and waited for enthusiastic endorsement. Some union representatives did give warm reception to our arguments, raising issues from developing a UK renewable energy industry, the need for green and decent jobs, and the notion of a just transition. But, to our disappointment, there was very little critical discussion of the report itself. Instead, the key focus of representatives at the time seemed to be securing an environmental representative for each workplace.

We of course understand the importance of workplace environmental representatives and why we were faced by caution and some scepticism. Trade unionists live in the real world, where conditions for their members are often harsh. Furthermore, the labour movement, – not just in Britain, but

internationally – has been on the defensive as globalisation has destroyed jobs or shifted them eastward and lowered incomes. To cap that, there is a great deal of scepticism as to whether green activists care about workers – especially those working in environmentally unsound factories and offices, or those dependent on coal mining for their livelihoods.

It would also be fair to say that the green new deal is over-ambitious. But the trade union movement can and should share in some of that ambition. Significant strides have been made in responding to the green new deal at a policy level and the TUC should be commended for its work arguing for the economic stimulus that Britain needs, almost three quarters of which was earmarked as green stimulus.<sup>1</sup> But our concern remains that the full enormity of the climate change challenge, as well as the expanse of

**“the green new deal may be over-ambitious, but the trade unions can and should share in its ambition”**

opportunities that it offers, has not been put to the army of workers that make up the union movement in a way that has engaged

them and got them on board. Without them, the green new deal will not succeed so it is vital that we work to engage all union members with this issue, overcome any differences that we come to along the way and keep talking.

While economic and environmental crises threaten the lives and livelihoods of many in the labour movement they also open up opportunities for a great transformation in

the way the economy is managed and in the possibility of new ways of living; ways that promise a much greater sense of social stability and personal well-being. This is what the green new deal is about and what it is for and the case for it urgently needs to be made to the breadth of the union movement so that we see calls for it from workplaces all over the country.

The green new deal is far from perfect – but it does track a path through the global financial crisis that is currently affecting us all and explain how resources can be found for an economic and environmental transformation. A path that the union movement is well placed to help navigate.

### **Why do we need a green new deal?**

Drawing our inspiration from Roosevelt’s courageous programme launched in the wake of the great crash of 1929, we believe that a positive programme of action can pull the world back from profound economic failure. We can do this first, by structural transformation to the regulation of national and international financial systems and major changes to taxation systems and second, by a sustained programme of investment in energy conservation and renewable energies.

In this way we can begin to stabilise the current triple-crunch crisis and lay the foundations for the eventual emergence of a set of resilient, job-rich and low carbon economies based on independent sources of energy supply, which offer far greater local production and enhanced national security. This is a scenario that can essentially replace globalisation as an

all-embracing economic construct. In the green new deal, globalised activities are those that contribute to the effective regulation of the financial system and promote the powering of the world by alternatives to the fuels currently creating the climate crunch and brewing a global energy crunch.

While much is made of the easy and cheap credit doled out over the past two decades, the underlying cause of the present financial dislocation has been a very prolonged period of easy but *dear* credit. Under financial liberalisation, and particularly in the 1980s, world interest rates increased greatly. Many firms and consumers borrowed to an extent and under conditions that – we now know – cannot be repaid. These debts were rolled over and repackaged, but such manipulations could not have continued indefinitely. Now companies, households and individuals are de-leveraging their debts – creating conditions for a truly destructive downward debt-deflationary spiral.

The shadow financial system – the system of hedge funds and other unregulated or lightly regulated institutions – was largely invisible and often deliberately incomprehensible to regulators, politicians and the public at large. Its benefits and massive profits flowed disproportionately to the already-rich, skewing the economy and sharply widening inequality. The shadow financial system also promoted tax evasion to protect private and corporate wealth from legitimate taxation thereby driving up the burden for the rest of society. The coincidence of the credit crunch with the German government's exposure and clamp-down on

tax evasion via Liechtenstein exposed for all to see the rottenness at the heart of the modern financial economy.

Now the world stands burdened with twin debts – a giant financial debt resting on rapidly deflating asset values, and an ecological debt drawn on equally fast-disappearing stocks of *natural capital*.

The cause of the great depression – as now, the deflation of a giant credit bubble generated by liberalised finance – led governments, central bankers and finance ministers to introduce vital controls over the financial system under the terms of President Roosevelt's new deal. These controls and regulations have been systematically removed over the past three decades. This liberalisation of finance has simply repeated the errors that led to the great depression and in the process has built a financial house of cards, drained oil reserves and exacerbated climate change through excessive consumption. Along the way, the guardians of the public interest – whether central bank governors, finance ministers, economists, financial regulators, credit rating agencies or the auditing and legal professions – have abdicated their responsibility for honestly measuring, regulating, communicating and combating systemic risks. As the great unwinding unfolds in the face of the triple crunch, those thrown into unemployment and those who hang on to their low-paid jobs are set to be the worst affected by systemic economic failure, climate shocks and soaring oil and gas prices. The rich escape, largely unscathed.

But this moment of peril holds out great potential for fresh thinking – drawing on the ideas of those such as Roosevelt, John Maynard Keynes and Karl Polanyi – all of whom correctly analysed the causes of the last great crisis, challenged conventional wisdom in their own times and created the basis for financial and economic renewal. They recognised that the roots of the crisis were deep and the change required profound. In the 1930s, however, the world did not face the additional challenge of imminent resource depletion and climate change.

Our belief is that the imperative of building a new energy system creates a generational

“building a new energy system creates a generational opportunity to channel the inventiveness of public and private finance into a programme of secure, long-term investment”

opportunity to channel the inventiveness of public and private finance into a programme of secure, long-term investment. This will also meet the needs of the world’s pension

funds, which are increasingly seeking low risk, long-term assets that match their liabilities, and also avoid the erosion of value that unchecked climate change will bring.

The green new deal combines stabilisation in the short-term with longer-term restructuring of the financial, taxation and energy systems. In the event of a collapse in private output government must step in to stimulate the economy. Furthermore, we know from the experience

of war, that governments can quickly mobilise finances (think of ‘quantitative easing’) in ways that individuals and corporations cannot.

We also know, from the record, that government deficits decline *when the economy recovers* and only then. It is vital therefore for governments to help the economy recover by spending on productive projects. The Tories’ plan for an election campaign in 2010 based on cuts to government spending will *undermine* recovery. In the 1920s the same policies, e.g. of cuts in unemployment benefits, were applied in the hope of building up government savings. The reverse happened and the cuts exacerbated the crisis until John Maynard Keynes advised further fiscal stimulus. Without the hope of recovery, deficits in economies like our own will simply grow bigger.

### How can we secure it?

The green new deal is international in outlook but requires action at local, national, regional and global levels. Focusing first on the specific needs of the UK, an interlocking programme of action must involve:

**1 Restoring power and accountability to society’s key institutions** and correcting the democratic deficit that has ballooned these last three decades. As the power of the finance sector has grown, parliaments and other democratic institutions have had their powers hollowed out, as decisions about the allocation of resources for health, education, or other needs of society, such as stabilising the climate, are now routinely taken by the invisible hand of the market.

- 2 As part of the re-democratisation of our society, **the building of a political alliance between those engaged in industry and labour**, broadly defined. In other words, an alliance between those that work by hand or brain in agriculture, manufacturing and the services, as well as those that work in local and central government, in the independent professions and in non-governmental organisations. This new alliance is vital if the finance sector is to be successfully challenged, transformed and renewed.
- 3 **The transformation and re-regulation of the domestic financial system** to ensure that the creation of money at low rates of interest credit is consistent with democratic aims, financial stability, social justice and environmental sustainability.
- 4 **The taxation of a semi-detached super-rich class**, accompanied by equitable regulation of financial incentives to cap absolute rewards and to tie bonuses to real value creation over the long-term. This would result in a fairer distribution of income – essential to boost purchasing power in a downturn – and align the actions of financiers with the wider public interest.
- 5 **The minimisation of corporate tax evasion** by requiring that all income paid to financial institutions in tax havens has its tax deducted at source, and also by amending international accounting rules to drive out transfer mispricing by requiring corporations to report on a ‘country by country’ basis. This will provide much-needed sources of public

finance at a time when economic contraction is reducing conventional tax receipts.

- 6 **The creation and execution of a UK plan**, drawn up through government and industry collaboration as urgent as the 1939 mobilisation for war, to manufacture and deploy renewable energy, energy efficiency and energy conservation as rapidly as our design-conscious, innovative, enduringly optimistic and historically courageous nation can feasibly contemplate.

We must mobilise capital behind a multi-decade programme of investment in energy efficiency and renewables. In the UK, the new Climate Act will provide a framework of targets for emission cuts. But those targets are too weak and the Act will allow the UK to buy in a proportion of its emissions cuts from abroad because the government has not, as yet, provided the financial muscle needed to implement target cuts in emissions. Any strategy aimed at reducing reliance on imported energy, especially oil, must include a huge increase in spending on alternative fuels, along with high-speed rail and other public transport systems. The science and technology for these advances is already largely in place but the funding to move them from the lab or pilot-project stage to full-scale development is not. The challenge, then, is to assemble the many billions of dollars that will be needed.

Financial innovations could include the issue of ‘green gilts’ to subsidise the environmental reconstruction of the nation’s infrastructure

(with the coupon paid from the resulting energy savings). Here, the focus would be on smart investments that reduce demand for energy and transport, particularly for low-income groups.

**7** As a minimum requirement in that plan, **the creation of a ‘carbon army’ of green collar workers** through training and education to provide the human resources for a vast environmental reconstruction programme. The UK has currently missed out on the boom in green collar jobs, with Germany already employing 280,000 in renewable energy alone. These new jobs would be part of the wider shift in the economy from one narrowly focused on financial services to a more diversified expansion of environmental services.

**8** At the international level the goal must be **an orderly and managed financial environment** that permits nations’ autonomy over domestic monetary and fiscal policies.

### **Working for a different future**

In the words of France’s President Sarkozy, “we have to put a stop to this financial system which is out of its mind and which has lost sight of its purpose.”<sup>2</sup> The green new deal will rekindle this vital sense of purpose, restoring

that global society can survive the dreadful threats it now faces as a result of the triple crunch, we believe the green new deal can lead to a renaissance of the notion of community in the way that humans organise societies, and to a snowballing list of social goods that can greatly improve quality of life in the future.

Trades unionists can play a central part in building a grand alliance with other movements and achieving these goals – but first they must lift their sights, embrace more ambitious targets and engage in a broader dialogue.

**“the green new deal can lead to a snowballing list of social goods and trade unionists have a central part to play in achieving these goals”**

public trust and refocusing capital on public priorities and sustainability. Beyond the immediate imperatives of restoring some faith

a new industrial activism



## a new industrial activism

John Sauven, executive director of Greenpeace

When the workforce at the Vestas wind power factory on the Isle of Wight was made redundant this summer it brought into sharp focus the issue of jobs and the green economy. Why, people asked, if renewable energy technology is a growing market and the UK keen to play its part, should Britain's only substantial turbine parts manufacturing base be shut down – and a team of skilled employees unceremoniously sacked?

Unions provided valuable support to employees in the dispute and it united the labour and environmental movement in a high profile campaign. But beyond reacting to external events, are unions taking the role that they need to in building a new industrial activism? This will not come about by addressing isolated incidents but needs to be built from the ground up with a sustained partnership between the labour and environmental movements. We need to find common ground and address

**“the necessary development of a UK renewable industry is the best example of where a strong union voice is clearly needed at all stages of its evolution”**

the differences that divide us. Advocating for green jobs and a just transition is essential and valuable work but, more important still, is taking a key role in the policy processes that create the context in which green jobs will or will not be created. The necessary development of

a renewable industry in the UK, as one key solution to climate change, is the best example of where a strong union voice is clearly needed at all stages of its evolution.

### Structuring our approach to renewable aspirations

There is little doubt that the use of renewable energy sources to produce electricity, heat and the power for vehicles has been making great strides on a global scale. According to the latest report from the international policy lobby group REN21, the installed capacity of renewable energy plants used to generate electricity (excluding large hydroelectric schemes) reached 280 gigawatts (GW) at the end of 2008. This was a 16 per cent rise on the previous year.<sup>1</sup> At the same time, solar power used for heating grew by 15 per cent.

For the first time in 2008 more renewable than ‘conventional’ power – fuelled by coal, gas, oil and nuclear – was brought into operation in both Europe and the United States. Investment around the world reached a record level of \$120 billion.

This surge of interest in renewable energy has been driven largely by the global imperative to do something urgent about the growing threat of catastrophic climate change. Starting with the Kyoto agreement in 1997, a series of targets have been set for countries to reduce

their emissions of the greenhouse gases that contribute to climate change. Since renewable energy sources produce little or no carbon dioxide, a major greenhouse gas, and no toxic waste or other pollutants, they have become a central part of the battle against climate change.

In the 27 countries of the European Union the aim is for renewable energy – produced by everything from wind turbines to solar panels to fuels based on crops rather than oil – to meet 20 per cent of all energy demand (transport, heating and electricity) by 2020. The 2006 level was nine per cent.

This is an ambitious target demanding a clear political commitment by each EU member state and a structured approach that encourages a switch away from the conventional, polluting route. Some countries have realised, however, that the environmental imperative for meeting these targets is not enough to drive progress. In order for renewable energy to flourish on the scale needed it is vital to create a clear market and an economic foundation that encourages investors to dip their toes in what had previously been seen as risky waters.

The best example within Europe of a structured approach to renewable energy policy is Germany. As long ago as 1991 the German government introduced a simple law that rewarded a generator of renewable energy with a fixed sum for each unit of electricity they produced. This premium ‘feed-in tariff’ was set high enough to attract investors and, eventually, to encourage a domestic industry producing the hardware needed.

Germany, the largest nation in Europe with a population of 82 million, now gets almost 15 per cent of its electricity from renewable sources (up from 4.8 per cent in 1998) and has a thriving industrial sector producing solar panels, wind turbines, bio-digesters and a range of other technologies. At the end of 2008 an estimated 280,000 people were employed in renewable energy.<sup>2</sup> As importantly, the sector is now so vital to the German economy that the supporting feed-in tariff legislation has survived through several government coalitions and is expected to remain secure even if Germany moves further to the right in this year’s elections.

Spain has followed a similar though slightly different path. In 1998 the Spanish government established its ‘special regime’ for renewable energy generators, with a premium payment based on their contribution towards pollution reduction. A number of regions also decided to encourage renewables companies to set up shop within their boundaries by allocating the right to develop projects only to those prepared to invest in manufacture. This resulted in a renewables boom and the country is now host to Gamesa, the third largest manufacturer of wind turbines in the world, and Iberdrola, the largest owner of wind farms. The industry employs almost 40,000 people<sup>3</sup> and at the start of 2009 Spain was getting 29 per cent of its energy from renewable electricity, rising from 18 per cent just four years ago. More recently it has been pioneering the development of large-scale solar power stations that could be used to harness the energy from sun-drenched areas like the Sahara Desert.

### The UK policy vacuum

Where does this leave the UK, which on paper at least has the potential to make a major contribution towards the EU's target to reduce greenhouse gas emissions? Britain has more windy places than any other country in Europe and an extensive coastline ideal for sea-based technologies such as wave and tidal power. It should be a world leader.

The reality is that successive governments have become bogged down in over complicated policies to encourage renewable energy.

The most recent approach has been to set a quota for the amount of renewable electricity that companies must produce, known as

the renewables obligation (RO) introduced in 2001. This rises each year, but the price paid per unit is variable according to market supply and demand.

“Britain has more windy places than any other country in Europe and an extensive coastline – it should be a world leader in renewables”

And although the rewards for operating a renewable energy generating station under the RO can be higher than in other countries it has turned out to be more expensive – in terms of cost per unit of renewable electricity supported – than a fixed price system. The system does not provide the stability and certainty of the German and Spanish models, where it is possible to judge clearly what the financial return will be for many years ahead, and more countries have now gone down the feed-in tariff route than have opted for quotas.

The result is that the UK has failed to capitalise on its wealth of natural energy generating resources. By the end of 2008 the proportion of renewable electricity supplied in Britain had reached 5.5 per cent, well down the European league table and a long way from our 2020 target of at least 32 per cent. Although the first commercial wind farm was commissioned at Delabole in Cornwall as long ago as 1991, this year we were overtaken in the wind power stakes by France, which introduced a feed-in tariff type system in 2002.

There are clearly other factors that have affected the relative development of renewable energy in different countries, not least of which is public acceptance. The presence of large wind turbines in the landscape, for example, has become a major bone of contention in some parts of mainland Britain. But it is worth noting that opposition has been equally strong in some parts of France, yet the country has still managed to move forward faster.

This is the background to the dispute that saw workers occupying the Vestas factory on the Isle of Wight in understandable frustration at the loss of their jobs and one of the island's major sources of employment. In the process, the company was roundly criticised by the trade union movement and environmental campaigners, not only for its allegedly heavy-handed behaviour in response to the occupation, but for abandoning a trained workforce in exchange for greener pastures in China and the United States.

What is equally true, however, is that Vestas has been one of the only major renewable energy manufacturers to establish a base in the UK, and its stated reason for the closure – the absence of an ongoing committed local demand for its products – is partly but not fully borne out by the facts. While it's important for the trade union movement to protest at the use of multinational companies' power to shift their operating bases from one country to another without apparent concern for the consequences, it's also essential to place the Vestas dispute in the context of UK government policy.

### The UK's potential

That there is the potential for large-scale employment from renewable energy in the UK can be seen by looking at just one sector – offshore wind power. This is an area where Britain has already taken the lead, with more wind farms operating around our shores than anywhere else in the world, and three times as much again ready for construction. If the government's target for 33 GW of offshore

wind power capacity were to come to fruition it says that we can expect the creation of 70,000 new jobs.<sup>4</sup>

“pump-priming needs to happen on a large scale and be co-ordinated with central government policy”

The Carbon Trust, which advises the public and private sector on reducing their carbon footprint, is even more bullish. It concluded in a recent report that up to 250,000 jobs could be available in both the offshore wind and wave power sectors by

2050.<sup>5</sup> And of course there are employment opportunities right across the green spectrum, including in energy efficiency, new green buildings, workplace measures and more efficient products and processes.

In the wake of the global financial crisis, the government has already given a boost to offshore wind by increasing the rate of payment under the renewables obligation. This has encouraged a number of large schemes to go ahead, including the 1 GW London Array project in the Thames Estuary, which should see several hundred turbines ready to welcome visitors to the 2012 Olympic Games.

Without further incentives, however, most of the wind turbines will not be made in Britain and jobs may go elsewhere. There is potential for an important part of the business to come to UK ports – where the turbines are assembled before being taken out to sea and where construction and servicing operations can be based. But this again will require a major effort to ensure that the contractors choose Ramsgate or Great Yarmouth rather than a number of equally well located ports on the other side of the North Sea.

An example of what can be done is the port of Bremerhaven on the German North Sea coast. Spotting the emerging potential in 2002, the state of Bremen invested €20 million in infrastructure and other incentives to encourage offshore wind companies to base their operations there. Since then, two specialist turbine manufacturers have moved in, as well as a range of other suppliers, and

the port is currently the base for the construction of Germany's first deep sea wind park. More than 1,000 jobs are expected to be created.

Pump-priming of this sort is already happening in some UK ports, but it needs to happen on a larger scale and it needs to be co-ordinated with central government policy. In its recent report the Carbon Trust recommended "a comprehensive package of technology-focused support, including investment of up to £600 million in R&D, removal of regulatory barriers and new incentive mechanisms to accelerate deployment of offshore wind power around our coasts."<sup>6</sup>

The effects of the global recession have already persuaded many governments that state intervention, both fiscal and regulatory, is vital to get the economy moving again. These are policy areas in which the trade union movement needs to get involved if its members

**“without the trade union voice, Britain will be sidelined in the industrial revolution central to the rest of the 21st century”**

are to reap the economic benefits of the renewable energy revolution.

Meanwhile, there are other issues which need to

be addressed if Britain is to benefit from its massive renewable energy resource and the employment opportunities that go with it. One is the urgent requirement to reinforce and reconstruct the power grid network to accommodate a new range of distributed small scale generating stations and to bring on

shore the large quantities of bulk electricity to be produced by wind, wave and other technologies. Another is to constructively engage and address the long-standing local hostility to new renewable energy projects, which too often results in a rejection by the local planning authority.

Ultimately, however, the problem of public scepticism will only be resolved by a clear political policy whose central plank is that renewable energy not only helps to reduce pollution but has fundamental economic and employment benefits. Only when people appreciate that there are tangible advantages to the economy from an energy supply based on sustainable sources will they accept the changes to the way our power system operates that inevitably follow.

As they have done in the USA, a trade union – environmental alliance can be a powerful and effective means of making these arguments to their members, to government and to the public in order to secure buy-in to a low carbon future.

It is vital that the trade union movement actively engages in the process of advocating what a low carbon economy and job market can look like – which sectors offer the jobs, what policies will secure the investment we need – and doesn't simply call for green jobs and a just transition from the sidelines. Without their voice, Britain itself will continue to be sidelined in an industrial revolution certain to be central to the rest of the twenty first century.

The new opportunity for trade union members (and I have been a trade union member for the whole of my working life) is not to be victims of a low carbon economy but to help shape it. That means the trade union movement needs to be involved in building it from the foundation upwards. After the recent failure of the neoliberal agenda, the trade unions need to regain their strength and unity. Although the neoliberal agenda might at last have hit the barriers, a new age of industrial activism to build a low carbon economy has yet to be born.

## endnotes

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