

STUC written evidence to the Transport, Infrastructure and Climate Change Committee's scrutiny of the Climate Change (Scotland) Bill

1 Introduction

1.1 The STUC welcomes the opportunity to contribute to the Transport, Infrastructure and Climate Change Committee's scrutiny of the Climate Change (Scotland) Bill. This is an important piece of legislation and one that could have profound implications for our 640,000 trade union members in Scotland.

1.2 The STUC concurs with the widely held view that climate change will be humanity's greatest challenge in the 21st century. The Trade Union Sustainable Development Committee (TUSDAC¹ – a joint TUC/DEFRA body) offers a cogent explanation of why environmental issues have assumed real importance for the trade union movement:

“Sustainability’ is not something we put in a separate box marked ‘green’. It is a core trade union and workplace issue. It directly impacts on jobs, in numbers, types, skills and locations. The employment and training implications of the transition to a low carbon economy are profound, as is the need to manage the changes fairly – through the so-called ‘just transition’”.

1.3 The STUC believes that the current global economic crisis provides an opportunity to build a new economic and social model that better protects the interests of both workers and the environment and distributes the proceeds of sustainable economic growth far more equitably than has hitherto been the case.

1.4 The following submission does not attempt to answer all the detailed questions posed by the Committee but rather focuses instead on areas of particular concern/interest to the STUC.

2 Targets

2.1 The STUC broadly supports the targets as set out in Climate Change (Scotland) Bill and believes the 2050 target is achievable through investment in:

- Low carbon technologies including renewables (on/offshore wind, marine, solar & sustainable biomass), nuclear, CCT & CCS;
- Energy efficiency including enhanced building standards and new technologies; and,
- Cutting transport emissions through:
 - Improving the carbon efficiency of vehicles
 - Introduction of electric vehicles powered by low carbon electricity production;

¹ <http://www.defra.gov.uk/environment/tusdac/>

- Increased use of hydrogen; and,
- Sustainable biofuels.

2.2 The STUC notes that the targets proposed are more challenging than those in the UK Bill but believes that Scotland can benefit from being a global leader in environmental standards. However, there are risks as well as opportunities in targets that are more challenging than other nations. It is vital that risks are properly understood.

2.3 Therefore, it is somewhat disappointing that the Bill has not been accompanied with more detailed work on potential economic and employment impacts. This omission plays into the hands of those who argue that strong unilateral action *necessarily* constitutes a barrier to competitiveness.

2.4 As we have already witnessed with renewable energy development, matching rhetoric to effective action and measurable outcomes will be difficult and specific actions required to reduce emissions must be the subject of wide consultation with all stakeholders: trade unions, employers and civic society.

2.5 The STUC believes that challenging targets can be reconciled with sustainable economic growth but does not believe that the economic and employment benefits of greening the economy will be maximised by simply establishing targets and leaving it to the market to deliver.

2.6 The potential economic and social impacts of reducing emissions are too often overlooked in public debate witness the Committee on Climate Change's report *Building a Low Carbon Economy* which reduces 'wider social impacts' to the single issue of fuel poverty. There is no consideration whatsoever of the economic and employment consequences for individuals and communities.

3 Duties of Public Bodies Relating to Climate Change

3.1 The STUC believes that Government and the wider public sector must be seen to lead the way in helping to meet targets for emissions reduction and therefore supports the imposition of statutory duties in relation to climate change.

3.2 It is recognised that other measures such as the Carbon Reduction Commitment will have an impact on parts of the public sector but the pressing need for action across the whole public sector makes a compelling case for a statutory duty in primary legislation. It is important that any additional responsibilities are sufficiently funded and that workplace change is subject to negotiation with the relevant trade unions.

4 Scottish Committee on Climate Change

4.1 The STUC tends towards support for a separate Scottish Climate Change Commission to advise the Scottish Government given that relevant

policy is substantially devolved and that the legislative framework will be distinct.

4.2 The STUC is of the view that as well as providing advice on how to achieve the targets and determining whether the targets have been achieved, the Committee should also be charged with determining whether or not any reduction in emissions has been consistent with wider economic and social objectives (for instance – the Scottish Government's 'golden rules' on solidarity and cohesion).

5 Forestry

5.1 The joint Forestry Trade Unions have submitted joint written and oral evidence (11 February 2009) to the Rural Affairs and Environment Committee on this matter. Written evidence is attached at Annex A for ease of reference.

6 Trade Union priorities

6.1 The STUC believes that, in order to gain widespread public buy-in and to combat negative perceptions over the potential economic impact, targets for emissions reduction should be accompanied by four interlinked strategies:

- A green workplaces strategy;
- A robust and comprehensive low carbon industrial strategy for Scotland;
- A transitional skills strategy for Scotland;
- A Just Transition Strategy for Scotland.

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

6.3 The STUC believes that the Scottish Government, working with social partners, must start planning now so that all the conditions exist for a genuinely 'just transition' to a low carbon economy. The right consultation mechanisms, the right training, the right innovation policies, and the right financial support need to be in place. But most importantly we need the type of green enterprise and growth, already seen in countries such as Germany and Denmark, to ensure that greener jobs are available when transition becomes a reality.

7 Green Workplaces

7.1 Following the success of initiatives such as the TUC's Greenworkplaces² project, there should be an extension of schemes to help employers and employees work together to set and meet environmental targets. These goals could relate to simple environmental measures (e.g. basic energy saving practices) or more complicated schemes such as efforts to increase the sustainability of production processes. *(It is also vital that the UK Government provides legal rights to green reps to give them time off for training and environmental activity at work).*

7.2 Workplaces are responsible for the 80% of emissions and much more must be done in Scotland to support workplace change. Learning from the successful lifelong learning model, funds should be made available to help trade unions resource workplace environmental programmes. It is hugely unfortunate that the Scottish Government's Climate Change Fund does not consider the 'workplace' as a 'community' for the purposes of the fund.

8 Low Carbon Industrial Strategy for Scotland

8.1 The Bill should be accompanied by the development and implementation of a low carbon industrial strategy for Scotland. This should include specific plans for each of Scotland's priority industry sectors.

8.2 To date, maximising the wider economic and employment benefits from developing Scotland's renewable energy sectors has appeared to be an afterthought to, rather than an integral component of, energy policy. During the last decade of economic growth this lack of progress was a disappointment to trade unionists, environmentalists and others. As we now enter a potentially lengthy recession, the failure to grasp the growth opportunities presented by the green economy should concern all with an interest in the sustainable development of the Scottish economy.

8.3 Given that Scotland's renewable energy resources are widely recognised to be the most abundant in Europe, our performance in generating jobs has been disappointing. Denmark, Spain and Germany have all built large, job-rich renewable sectors through a variety of means.

8.4 The STUC believes that the UK and Scotland's poor performance in this respect reflects an unwarranted faith in markets to deliver socially beneficial outcomes and a deeply embedded antipathy to anything that smacks of industrial policy – other countries better understand that intervention is required in the early stages of development in order to secure technologies and grow employment.

² <http://www.tuc.org.uk/extras/gogreenatwork.pdf>

8.5 Maximising industrial opportunities from the development of Scotland's energy sectors should be a core strand of economic strategy. Some initial actions could include:

- Using business support mechanisms (such as RSA and innovation support programmes) strategically to help develop technologies and secure these technologies within Scottish industry;
- A comprehensive research project to learn the lessons of other European countries;
- Within the context of the Planning Bill, and working within EU Competition Law, consider ways in which developers can be encouraged to use local content; and,
- Improve links between developers and Scottish manufacturers – we are not convinced FREDS or the Energy Community are effective mechanisms for this activity.

8.6 However, much more can be done now within existing budgets to address the main barriers to growing environmental industries:

- The low price of environmental impacts;
- Weak investment and demand for green products and services;
- System failures that slow green transformation.

8.7 For instance, the Scottish Government should examine:

- Creating lead markets through '**Forward Commitment' procurement initiatives** – learning from examples in Sweden and the US, the Government can play a key facilitatory role in developing programmes to design and sell innovative green products. Forward Commitment programmes draw together a group of organisations to define a need (i.e. a more energy efficient IT system). Bids are then sought to deliver a product or service that meets this need. The specification of the need will include a range of criteria that must be met and the procurement group commits to purchasing a minimum amount of the new product or service provided these criteria are met;
- Developing markets through **public procurement** – there are currently good initiatives at national and local authority level but these are often implemented in a piecemeal way and more needs to be done to ensure consistent use of environmental criteria in purchasing decisions;
- **Better integration of public policy priorities** to boost job creation – for example, Scotland could aim to develop an indigenous hydrogen economy for promotion at the Commonwealth Games in 2014: hydrogen facilities linked to Scottish wind farms could generate the power for a fleet of hydrogen fuelled buses for use at the games. With the appropriate level of ambition and support, there is no reason why these vehicles should not be designed and manufactured in Scotland.

9 A Transitional Skills Strategy for Scotland

9.1 A successful low carbon shift needs to be accompanied by sector-based skills and training strategies. For instance, one of the main barriers to increasing the uptake of new microgeneration devices is the shortage of appropriate skills and training courses for each of the emerging technologies. The development of new technologies in manufacturing industries and the development of our environmental industries, including clean-coal, will require investment in the right skills and specialities. A number of skills issues need to be addressed:

- Stakeholders should be involved in a comprehensive survey of labour and skills requirements in the energy sector;
- A transitional skills strategy is required for moving to a low carbon economy which provides support both for well-qualified staff at all organisational levels and for lower skilled employees who may lack a portable or adaptable skills base; and,
- Environmental literacy in relevant Modern Apprenticeships must be improved. The Gas industry workbook initiative prepared by the Energy and Utilities Skills Council is an example of good practice.

10 Just Transition

A Just Transition³ Strategy for Scotland will involve:

10.1 *A national framework or mechanism to ensure long-term planning and representative decision making on environmental transition* - The framework would outline how the Government planned to engage with trade unions and other key stakeholders on Just Transition. It could involve the creation of a new body or bodies to plan for, and advise ministers on, the transition process. It may also stipulate consultation requirements for subnational bodies and companies involved in environmental transition.

10.3 The STUC proposes that the TICC Committee should consider ways in which this framework might be given a statutory basis in the Climate Change (Scotland) Bill.

10.4 *Education and training to aid sustainable employment* - It is vital that adequate planning and provision of education and training takes place to protect jobs in the sectors that will be most affected by environmental transition. From a Just Transition perspective, key priorities must include the following: a genuine partnership approach to negotiating skills strategies that are fit for purpose; development of employer support for a new apprenticeships strategy; a new diversity strategy for the energy sector; and employers fully recognising the role of union learning representatives (ULRs).

³ For more detail see the TUC pamphlet *A Green and Fair Future* (2008)
<http://www.tuc.org.uk/touchstone/Justtransition/greenfuture.pdf>

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

10.6 Greening the workplace - As outlined above.

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

10.8 Achieving such a programme of support packages will require significant interdepartmental working from the Government, with particular involvement from the enterprise networks, SDS and Job Centre Plus.

10.9 Support for communities - It is likely that some areas will face more challenges than others because of the geographically concentrated nature of many energy-intensive industries. Responsibility for a clearer understanding of which areas need to be monitored and the likely impacts of environmental transition on those areas must fall to the Scottish Government, the relevant local authorities and enterprise networks, employers bodies and trade unions with high densities of membership in the key communities.

10.10 Funding - Many elements of a Just Transition programme, while paying for themselves in the long-term, will require an initial – or indeed an ongoing – investment to make them possible.

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

STUC
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