

JUST TRANSITION

A Working People's Response to Climate Change

October 2017

New Zealand Council of Trade Unions | Te Kauae Kaimahi

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Introduction

Climate change used to be something that we spoke about in the abstract, as an unknown future threat. The reality of climate change is no longer deniable – it is already here. From the increased frequency and intensity of cyclones affecting fruit growers in Northland to the rising sea eating away houses in Granity and Hector, to flooding on Wellington’s South Coast and Auckland’s Tamaki Drive blocking business commuters, global warming is affecting us all. But it’s not affecting everyone in the same way, or at the same pace.

Climate change is here, and we have a choice how we respond to it. Will we hold out and hold on to our accustomed way of life until we are forced to adapt, faced with a crisis? Or can we move beyond begrudging acceptance of change and act now to limit the future impacts, even if we don’t know how, or when, or who our actions will help? Climate change is a challenge of such a gigantic magnitude that it can be difficult to even think about.

Deciding on the ‘right’ level of response requires us to develop a profound sense of empathy for people and the natural environment. The heavy sense of responsibility this places on our shoulders feels uncomfortable at first. But we believe that this deeply considered approach to our own agency as citizens could be the first step in creating a more just, connected, and happier world.

The idea of a ‘Just Transition’ recognises that responding to climate change will be a mix of positive opportunities and necessary changes. It acknowledges that we will only be successful if we find a way forward which is fair to everyone. No one person can mitigate the impact of climate change through their individual actions, no matter how noble. If we are asking some people to move their homes, their families and their careers for the good of us all, we should expect them to ask what they are being offered by society in return.

It is easy to accept the opportunities of new green technology like telecommuting and cheap electric energy, but it’s harder to talk about the things we might have to give up. Many of us are open to taking collective measures for a greener world, but no-one wants to be disadvantaged by changing their lifestyle or livelihood first. Similarly, it’s unreasonable to ask people who are working long hours and struggling to provide for their family to take on time or money costs to ‘green’ their existence. Starting a conversation about what is fair is the first step towards consensus, and then the large-scale action that climate change necessitates.

If we are to maintain or enhance our quality of life, our communities need to identify what opportunities we have to move to low carbon jobs now. New Zealand is not doing nearly enough to meet our international obligations and commitments or keep our citizens safe.

This is not just a coastal issue, a 'coal industry' issue, a transport issue or an energy issue. Some of the easiest steps we can take, like changing our transport patterns or Government purchasing, are relatively small changes over many industries. However some industries like agriculture, making up 48% of our total emissions, will need to radically reform. This also presents them with a golden opportunity to diversify and develop lower impact products that produce more added value with less effort.

Thinking even more broadly, climate change presents us with a timely chance to re-evaluate the relationship between people, work and the planet. Is the current economy delivering on the outcomes it was created for? Is the way that we reward people for their productive efforts sustainable or fair? What better relationships can we create with wealth, income, natural resources and each other?

We see this paper as a starting point for these deeper, bolder climate conversations we need to have in New Zealand. Giving a forum to the views of working people is at the heart of a truly just transition. We hope this paper is the first step to engaging that voice.

Richard Wagstaff
CTU President

Sam Huggard
CTU Secretary

October 2017

Summary of key recommendations

1. Just Transition in Aotearoa requires the active involvement of iwi and hapū. As part of a just transition, unions and other organisations, including government agencies, should continue to build relationships with iwi and hapū based on Te Tiriti o Waitangi.
2. Unions should prepare to play an active role in both leading and responding to change, based on the just transition approach
3. Government should initiate a formal process of engagement with all stakeholders including trade unions, employers and communities to build consensus around a just transition at national, regional and sectoral levels and develop a national just transition plan
4. An independent Climate Commission should be created to oversee the implementation of the just transition plan
5. New job opportunities in the low carbon economy and the transformation of existing jobs and industries should be promoted through public and private investment in low carbon development strategies and technologies
6. Formal education, training, retraining, and life-long learning should be promoted for working people, their families, and their communities
7. Organised economic and employment diversification policies should be developed for sectors and communities at risk
8. Re-deployment of workers affected by transition should be promoted, including through industry-wide multi-employer pooling to match workers with new jobs
9. Social protection measures, including active labour market policies, should be developed to support workers in industries undergoing change
10. Collective bargaining should be strengthened and the involvement of workers and their unions promoted in negotiating processes of just transition that span enterprises and industries
11. Government procurement should be used as a tool to incentivise development of low carbon goods and services

A Just Transition from the Unjust – comment from Te Rūnanga.

Indigenous peoples have contributed the least to climate change but they are facing the most severe threats due to their direct relationships with natural systems

- Alejandro Argumendo, Quechuan - Peru

Within Aotearoa/New Zealand a Just Transition depends on first acknowledging the unjust, allowing a time of mourning of the loss, but then beginning the journey of reparation.

Ki te kāhore he whakakitenga ka ngaro te iwi
Without vision and foresight the people will be lost

In framing our discussions around the damage to Papatūānuku, Rangi and Tangaroa we must also look to the damage to ourselves, the people of Aotearoa/New Zealand through the restoration of whakapapa, wairua and kotahitanga. Through Kaitiakitanga a series of pathways could become visible for us to follow.

Kaitiakitanga – guardianship and conservation. Traditionally, Māori believe that there is a deep kinship between humankind and the natural world and kaitiakitanga is that connectedness, that way of managing the environment. This tradition also indicates an intimate relationship between the people and their environment to the extent that the health of a community is measured by the health of the environment.

*Karakia before cutting trees, before travel, before fishing
Unclean waterways; eruptions of mountains, indicate an imbalance in the environment*

It is evident that we need a process to systematically work our way through these issues and we are suggesting that we consider the use of the indigenous Hawaiian method of Ho'oponopono.

Ho'oponopono – Whakatika – is a method of restoring harmony, setting things right, restoring the balance of relationships within family both physical and spiritual, and restoring wairua. The metaphor of a net - kupenga is an appropriate metaphor for the interrelatedness all things when there is a need to whakatika.

Ho'oponopono - Whakatika begins with pule – Karakia to bless the endeavours of individuals when untangling the net and to give all those involved the strength to carry the process to a conclusion.

Kūkulu kumuhana – rauemi hanga – building material – requires all participants to identify the elements that will need to be considered to bring the process to a close. Once the elements of the environment are identified, then the focus will move to the specific problem.

Mahaki – kōrero – discussion – is the major portion of this process during which the layers can be raised for resolution. Feelings can be aired with the appropriate cooling off period of silence.

Finally during Pani, the closing phase, the strengths of the collective are reaffirmed.

Practical action

For Te Rūnanga, a just transition will need the following:

- A just transition model will need to work right for indigenous people if it is to work. This is both an important task but an exciting one. Indigenous people want to be part of the change, not have change foisted upon them.
- Unions are developing relationship with iwi and hapū, and intend to include climate change and a just transition in our relationship discussions.
- The government has a key role in research and modelling. In the same way that modelling is taking place in, for example, sea level rises, modelling also needs to take place about where the jobs will be lost and where new jobs will be created. A much more active role is called for than leaving this work to market forces.
- A mapping process should then follow, involving Māori workers and communities, to ensure the Māori workforce are prepared for change.
- A clear role for unions in industry development
- Marae are duly prepared and equipped to deal with national disasters
- Kura and schools are key community institutions and we support them educating our tamariki about environmental responsibility
- A flexible approach is taken that recognises differences in rural and urban needs

Unions and Change

Richard Wagstaff, CTU President

Change and transition are permanent features of work, nationally and internationally.

In Aotearoa we have experienced major change in the organisation and conditions of our work, especially over the past three decades. We haven't always managed those adjustments well, and our record of dealing with change, especially large scale structural change, is not generally positive. Working people have been victims of change directed by market forces and left with inadequate support and protection. We need to do better in the future.

Where we've been able to, unions have played an active role in supporting working people through large and small scale change, from an individual level right through to broad enterprise and industry change processes. This had been a major component of our work and members rightfully have an expectation that their union will be there to support them during these times of insecurity.

In the 21st century, union members face unprecedented pressures for transformation and change to their work, including changes driven by climate change, technology, demographics and globalisation. Whatever the cause, unions are committed to supporting members to maximise the opportunities and minimise the risks presented.

Today, the scale and rate of change shows no sign of reducing and if anything is expected to increase in pace and magnitude. To meet the challenges, unions need to be prepared to play an active role in both leading and responding to changes.

Unions are not happy with the status quo. We are always acting both in pursuit of a better world for our members and to protect the hard won gains we have made over time. Change presents dangers and challenges to be overcome, but it also presents opportunities to build broad support for far-reaching social and economic reform in the interests of working people.

In Aotearoa and all over the world, working people in union are leading the call for the creation of a better, sustainable future, including a Just Transition to a low-carbon economy.

Just Transition

The term 'Just Transition' has been adopted by the International Trade Union Congress (ITUC) over the past decade, especially in relation to climate change. Just Transition refers to a policy that is all about protecting and supporting the interests of working people in the transition to a low carbon future. This includes negotiated transition processes in industries facing necessary change, leaving no one behind, as their jobs are affected by large scale change. According to the ITUC the key principles underpinning a Just Transition include:

1. Equitable sharing of responsibilities and fair distribution of the costs across society;
2. Institutionalised formal consultations with relevant stakeholders including trade unions, employers and communities, at national, regional and sectoral levels;
3. The promotion of clean job opportunities and the greening of existing jobs and industries through public and private investment in low carbon development strategies and technologies in all nations;
4. Formal education, training, retraining, and life-long learning for working people, their families, and their communities;
5. Organised economic and employment diversification policies within sectors and communities at risk;

6. Social protection measures (active labour market policies, access to health services, social insurances, among others); and
7. Respect for, and protection, of human and labour rights.

The ITUC successfully promoted the policy of a Just Transition in the 2015 Paris Agreement to limit carbon emissions to restrict global warming. This was signed by 193 countries including NZ, and that agreement has committed our Government to a policy of a Just Transition.

While the Just Transition key principles above have particular resonance with changing work due to the effects of climate change, the notion of a Just Transition, where the burden of change is evenly shared, and workers are supported to transition to new jobs in new sustainable industries, resonates well with changes brought about for other reasons, especially technologically driven change.

The NZCTU sees just transition as not only about what industries we are changing from, and the need to support workers in transition such as in extractive industries, but also what new industries we are changing to, and our support for industry development and good jobs in low carbon industries.

Managing a transition to a low carbon economy is important for everyone and will impact every industry and every type of job. There is potential for positive opportunities for workers if this is done right.

We also note that climate change has implications on transition and change in many existing industries also. For example, in health, the nursing workforce are preparing for changing disease patterns and the need for detailed workforce planning around this.

The NZCTU has promoted the policy of a Just Transition in relation to the broader Future of Work (FoW) issue, where we have engaged extensively with the Labour Party in the development of their policy.

Our submission¹ noted that the FoW requires a framework that has three pillars:

1. **Industry policy** that supports investment and diversification of our economy into more productive, high value industry, replaces industries that are no longer viable due to change, and adapts to, or takes advantage of, developments like climate change;
2. **Employment law** that strengthens collective bargaining so that the benefits of change and productivity growth flow through into wages, better job security and conditions, and encourages productive, participatory, high-trust workplaces and tripartism; and
3. **A capable state** including a social security system that genuinely provides security of income plus training and support for those who lose their jobs due to change or due to an increasingly insecure job market; education and training systems that prepare people for life and work; strong infrastructure and regulatory capacity.

These pillars are central to achieving a Just Transition to a FoW where the current workforce will enjoy a stable transition to decent work of the future.

The Labour Party has subsequently committed to Just Transition in its FoW policy, involving a commitment to support and promote green sustainable jobs, and protect workers through

¹ <https://www.union.org.nz/wp-content/uploads/2016/11/160216-The-Future-of-Work-The-NZCTU-view.pdf>

the process of change. Their policy also involves a commitment to social dialogue with unions, business and Government.

Practical Action

In practice a Just Transition isn't achieved by simply tacking the words 'Just Transition' on to the end of existing change processes which provide limited, enterprise based protections or compensation for job loss. What's required is something far greater and wide reaching than that. If we are going to maximise support for working people we need an approach that includes participation of working people and their unions in decision making throughout the process from the outset, and that spans enterprises and industries.

In simple terms, successful union approaches to change involve an active strategy of engagement with decision makers at all levels, beginning with a discussion, at the enterprise and industry level, of where things are heading and what the future would look like if it was a good place to work.

Some form of agreement about the future should be reached, and a plan of 'how to get there from here' or a transition plan formulated. Something as simple as this could be useful in some industries that are simply modernising, and largely maintaining or growing their operations, albeit in new forms. This kind of change management is something unions have plenty of experience in, and done well can be a very positive union activity.

NZCTU affiliates could do more than we are currently doing within this framework by putting the Future of Work and Just Transition on the agenda of our workplaces, enterprises and industries, and ask some simple questions to begin the conversation, such as:

- *What significant trends are occurring and expected to impact over the next 5 – 10 years in this industry/enterprise/workplace?*
- *What will these trends mean in terms of existing jobs/ job losses/job creation?*
- *What arrangements can we make to ensure as far as possible that existing staff who want to make the transition do so in a way that preserves or improves their living standards, quality of work and dignity?*
- *What training is available/required for the workforce to meet the challenges of the future?*
- *What protections are in place in the collective employment agreement? Retraining/Redundancy/Redeployment/ etc.*
- *What Government support is there?*

Meeting the Challenges of Large Scale Change and Transition

Having a simple discussion and getting answers to the questions above will only take us so far when dealing with the scale and scope of the transformations demanded of industry in the 21st century. To meaningfully engage in a large scale Just Transition, we will need the three pillars of the CTU Future of Work policy to be active. And we will need a mechanism of sufficient gravitas to steer things along.

Drawing on the ACTU policy, we support the creation of a *Transition Plan* – ensuring that NZ's transition is managed in a fair and just manner, where affected workers and communities are supported to find secure and decent jobs in low carbon industries and a green economy.

This could involve creating a new independent Commission whose main roles included supporting a transition in industries that face necessary change because they are carbon

based, or they are technologically transformed, or for some other reason. This Commission could:

1. Oversee an orderly transition plan involving the transformation or closure of existing enterprises and, simultaneously, the creation of new ones or expansion of existing ones which could provide new and decent work for those workers, their families and their communities who are displaced.
2. Invest in overseeing an industry-wide multi-employer pooling and redeployment scheme which provides retrenched workers with opportunity to transfer to new roles in the same industry.
3. Administer and develop a labour adjustment package that supports workers in transition into new decent and secure jobs. The main labour market policies should include;
 - Job placement and information services
 - Retraining with an option for this to be undertaken whilst still being employed.
 - Financial and personal support, and
 - Travel subsidies and relocation assistance.

The new Commission would need to develop specific plans to support economic diversification and the creation of new industries in particular regions. This would include:

- Mapping potential new industries to affected regions based on competitive and other advantages as well as worker skills. They should take advantage of opportunities opened by the transition towards a greener, low carbon economy. As part of this mapping exercise, infrastructure gaps should be identified and prioritised.
- Developing and implementing specific industry and environmental policies to attract new investment, the growth of new industries and the creation of quality, secure jobs in affected regions. Such policies could include additional renewable energy investment incentives, investment tax incentives and the prioritised construction of new infrastructure.

We also call for effective use of government procurement as a tool to incentivise development of carbon-neutral goods and services. The government and its enterprises are a major part of the economy, and can assist development through purchasing policies which look beyond the narrow criterion of short term value for money for the purchasing agency. We should use government and SOE procurement to develop local industry, but also, in the context of climate change, to ensure a transition to a low carbon economy. Government should be directing and preferencing investment (such as the New Zealand Super Fund) into low carbon transition. There could also be a role for targeted use of tariffs on trade to prevent unfair competition from polluting industries.

Leading Change

Experience tells us that more we get ahead of change, and the more we plan for it, the better our chances of securing better outcomes. This is a real challenge for unions especially, because members are naturally wary of change and all the uncertainty it brings. For many members, unions are expected to 'hang on to what we've got' rather than create the conditions for change.

Meeting that challenge successfully will require leadership that creates an understanding amongst members that getting ahead of the change curve will be the best way of ensuring better outcomes. That planning and proactively negotiating our own future is far superior to reacting to one imposed on us by others. And that ultimately accepting change is not a choice or a matter of if, but more a matter of how.

Conclusion

As a union movement we have a significant opportunity to shape the changes that will define the Future of Work. Framing our responses to climate change in terms of a Just Transition recognises both our common interest in a sustainable future and our continuing need for jobs and industries that support our livelihoods and communities. To promote our interests, we need to make sure the voices of working people are heard clearly in the discussion of responses to climate change.

As part of our process of Just Transition, we will continue to share examples of good practices that combine decent work and environmental sustainability, incorporating knowledge from the international union movement.

The achievement of a Just Transition is critical for the union movement and for our members' interests. We could hunker down, and let the ravages of the market dictate change in the interests of capital, or we could extend ourselves by setting out an ambitious agenda for a new world of work that is decent and sustainable, and in the process insist that we get there fairly and justly. In the end, despite the enormous challenges, the choice is really quite simple.

Just transition: Where new jobs might be

Bill Rosenberg, CTU Economist and Policy Director

This chapter looks first at MBIE's most recent (December 2015) projections of where job growth will be between 2014 and 2024². However, aside from the likelihood that long-term projections will be wrong, this has at least two problems. First, it is a projection of the current state of the economy. It uses sophisticated economic models but these take no account of either external effects such as climate change and international responses to it, or the possibility that the current mix of industries and jobs could be changed by different policies (for example to encourage increased processing of agricultural and forestry products or to increase high value manufacturing).

Second, and this is a problem for all national projections, industry change will frequently be local and the specifics of the nature of the change, the skills of the workers and the regional context will be crucial. Knowing what jobs are available nationally is not necessarily helpful for a particular region: a regional analysis is needed for that. It would take considerable work to discover whether that has been done for all regions – in many cases it will not have been. The paper then looks at four New Zealand studies that do try to fill some of these gaps specifically in response to climate change: two that look at opportunities available in the “green” economy and two regional studies.

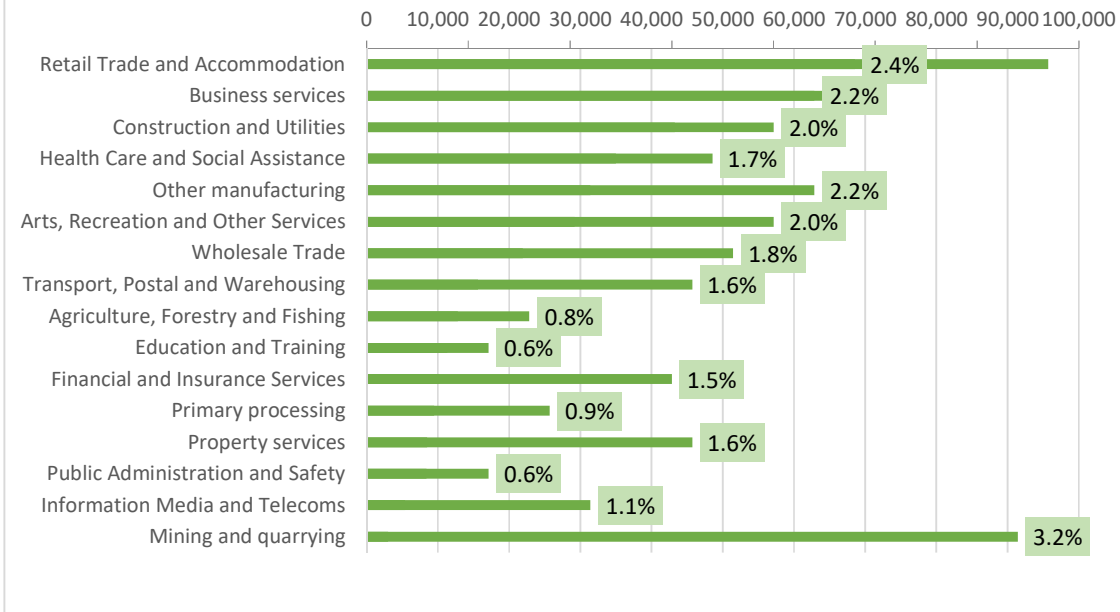
The chapter does not look even further ahead because it is primarily concerned about what is practical over the short term and over one to two decades when responses to climate change will be taking effect. In any case, the further out a projection is, the more likely it will be wrong. This does not pretend to be a full survey of “where new jobs will be”, but gives a taste.

MBIE projections to 2024

MBIE's projections are by industry, skill level and occupation. It projects a total increase of 410,000 jobs between 2014 and 2024. By industry, as Figure 1 shows, the largest increase in numbers of jobs is projected to be in the mainly low-wage Retail Trade and Accommodation sector (almost a quarter of the total increase at 96,000 jobs). Next comes jobs in Business Services which includes the professions (other than those in health and education), and administrative services. However Health Care and Social Assistance, which includes both medical professionals and care for the aged and people with disabilities is projected to increase by 35,000, behind Construction and Utilities (like electricity and gas supply) with over 40,000. While Primary processing (such as food processing) is projected to increase by less than 10,000 jobs, “Other Manufacturing” is projected to increase by over 30,000, a total of 40,000 in manufacturing, though of very mixed wage levels and value added. At the bottom is Mining and Quarrying (an additional 3,000 jobs, though one of the largest proportional increases) and Information Media and Telecoms (5,400 jobs). Though Agriculture, Forestry and Fishing is projected to increase by almost 13,000 jobs, it is one of the slowest growing industries at an average annual increase of just 0.8 percent.

² Ministry of Business, Innovation and Employment. (2015). Medium-Long Term Employment Outlook: Looking ahead to 2024. Wellington, New Zealand: Ministry of Business Innovation & Employment. Retrieved from <http://www.mbie.govt.nz/info-services/employment-skills/labour-market-reports/forecasting/medium-long-term-employment-forecasts/looking-ahead-to-2024>

Figure 1: MBIE projections for increases in numbers of jobs and average annual increase by industry, 2014-2024



By skill level, as Figure 2 shows, the increase is overwhelmingly among higher skilled occupations with over half of the projected increase in job numbers and the largest average annual increase (2.3 percent).

Figure 2: MBIE projections for increases in numbers of jobs and average annual increase by skill level 2014-2024

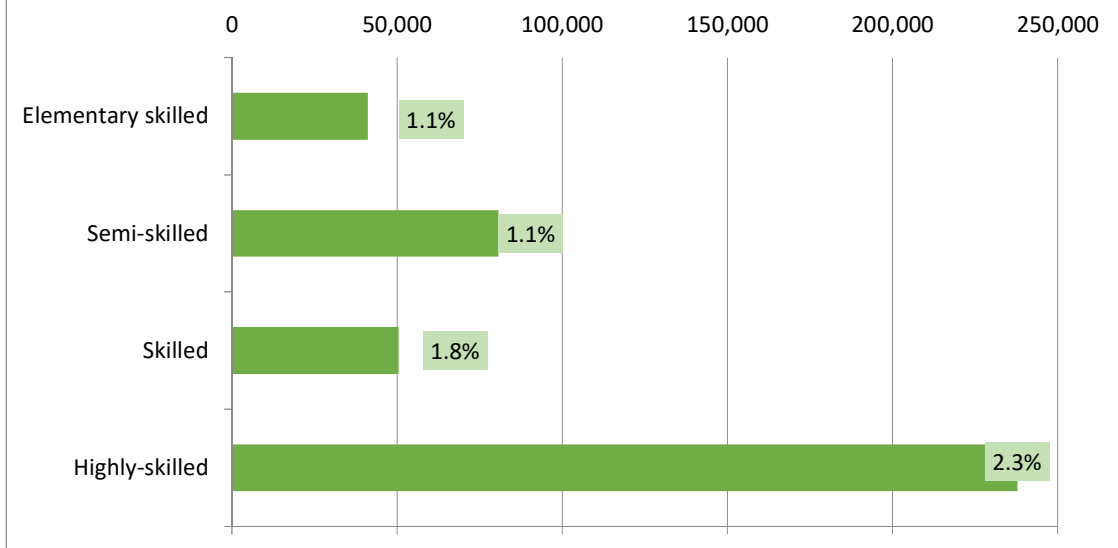


Figure 3: MBIE projections for increases in numbers of jobs in 25 fastest growing occupation groups, 2014-2024



Figure 3 shows the 25 fastest growing occupations, which are projected to grow at an average annual rate of between 3.1 and 4.9 percent. They are dominated by various types of managers, professions, and trades. These occupations account for almost 240,000 new jobs, or over half of the 410,000 new jobs projected. Surprisingly missing is the growing aged care sector.

New Zealand studies on regions and the green economy

Regional studies give more detail of potential employment in a region which is subject to change. They can take into account the possibility of policies which encourage new industries and jobs.

Southland

In 2012, WWF-New Zealand commissioned BERL Economics³ to look at the potential low carbon growth opportunities for the Southern Region as a substitute for increased lignite mining. BERL found that building on existing strengths in forestry, engineering, education and horticulture would add jobs and value to the regional economy.

Investment in plantation forest development and additional wood processing including greater use of sawn timber, manufacture of wood products and bioenergy would by 2026 lead to 1.9 percent higher employment, or 1,180 jobs, than 'business as usual'.

³ Nana, G., & Stokes, F. (2012). *A view to the south: potential low carbon growth opportunities for the southern region economy*. Wellington, New Zealand: Business and Economic Research Limited. Retrieved from http://www.wwf.org.nz/media_centre/publications/?uNewsID=9321

Employment in the forestry sector, under this scenario grows by 260 FTEs over the period, while employment in wood products increases by 390 FTEs. Employment in the transport sector also grows by approximately 185 FTEs while associated sectors such as building construction are also positively affected by the construction and ongoing maintenance of an additional wood processing facility... sectors that are influenced by population growth such as health and education are also positively influenced by any potential increase in forestry and wood processing employment.

Increased investment in horticulture and additional and diverse crops including hazelnuts, organic produce, plus investment in science through growers working closely with research institutions such as the Crown Research Institutes (CRIs) and tertiary education organisations, would employ 540 more equivalent full time people by 2026 than 'business as usual', an increase of 0.9 percent. The jobs would be in food processing and other manufacturing as well as transport and warehousing.

If investment were increased in manufacturing to boost existing strengths of the region in engineering, manufacturing (in particular, machinery, equipment, furniture and other manufacturing subsectors) and construction trades, including further research and product development, employment would be increased by 0.8 percent or 820 full time equivalent jobs by 2026. These would be mainly in manufacturing, but would also generate employment in other sectors.

Increased investment in education and training, mainly in creating new courses at the Southern Institute of Technology to meet skill needs, would increase employment by 1.2 percent or 755 full time equivalent jobs by 2026 compared to 'business as usual'. The jobs would include teachers, trainers and health professionals, nurses, health associate professionals and other service industries (people involved in repairs, maintenance and cleaning such as mechanics and drycleaners, as well as personal care services such as hairdressers and beauticians) due to population growth.

West Coast (South Island)

Coal Action Network Aotearoa (CANANZ) in its publication *Jobs after Coal: a just transition for New Zealand communities*⁴ has proposed a just transition process for the West Coast to replace jobs in coal mining as mines close. As well as suggesting growth areas such as in heavy machinery operation, large truck driving and construction in other parts of New Zealand to which some of the miners' skills could be transferred (subject to an analysis of their skills), it suggests areas where job creation opportunities lie on the Coast. These include wood processing, using some of the Coast's wood waste to heat glass houses to grow shoulder-season vegetables and fruit, a much broader home insulation scheme than what is funded by central government, retrofitting commercial and local government buildings for energy efficiency (with some help from EECANZ funding), earthquake strengthening of public buildings, ecological tourism, ecological education, increased adventure and history-based tourism, and micro hydro generation. However they emphasise that there must be government funded research and support for a programme involving communities, local businesses, workers, unions, iwi, environmental groups, local government and central government in planning a transition to alternative forms of economic development and alternative jobs.

⁴ Coal Action Network Aotearoa. (2015). *Jobs after Coal: a just transition for New Zealand communities (2015 updated edition)*. New Zealand: Coal Action Network Aotearoa. Retrieved from <http://coalaction.org.nz/jobs-after-coal>.

Green technology

In November 2012 the largely corporate-backed non-profit group, Pure Advantage launched a report by economists at Auckland University based consultancy Vivid Economics, *Green growth: opportunities for New Zealand*.⁵ It identified 21 actions New Zealand could take to realise opportunities offered by the changes taking place in response to climate change and environmental degradation. These “generally require action from both industry and government”. Potential job creation included improving energy efficiency in both new and existing residential and commercial buildings, increasing public transport investment and usage, consideration of developing large-scale second-generation biofuel production in New Zealand, developing information technology and communication systems to help farmers economise on inputs, developing the full economic potential of the Exclusive Economic Zone within sustainable harvest levels, sustainably expanding the aquaculture industry, and creating a higher value sustainable forestry sector.

In February 2013 Greenpeace published the report *The Future is Here: New jobs, new prosperity and a new clean economy*⁶ which outlined a strategy for getting to 100 percent renewable electricity by 2025, virtually oil free road transport within 22 years, and reducing carbon emissions by 94 percent on 2009 levels. The strategy was based on research by the Institute of Technical Thermodynamics of the German Aerospace Centre which modelled New Zealand’s energy system. It projected 5,000 additional jobs in the electricity and heating sector by 2030, 27,000 jobs in bioenergy, and many more elsewhere. The opportunities it identified were in transport, geothermal energy, ocean energy (wave and tidal generation), and moving to 100 percent renewable energy for electricity generation including hydro, geothermal, wind, ocean, solar and biomass generation. Transport opportunities included much greater use of largely electricity powered public transport (both road and rail), greater use of electric and hybrid small vehicles for private and commercial use, and New Zealand-produced wood-based liquid fuels replacing diesel for larger vehicles and industrial use.

Conclusion

This chapter has looked at projections of New Zealand’s current employment trends, at the opportunities available in two regions, and at employment possibilities from ‘green development’. These offer many suggestions for employment in an effective just transition. Even these do not fully consider better policies that would encourage rebalancing of the New Zealand economy towards higher value production, with better jobs and higher wages. Wider ‘industry policy’ of this kind is important for a variety of reasons in addition to climate change. If carried out successfully, it would make a greater variety of good jobs available to people displaced by unavoidable changes whose precise form we cannot predict, but which we can be sure that New Zealand will face. In the end though, an effective just transition process will depend on careful analysis of the specific needs, skills and potential of the people, industries and regions affected.

⁵ Vivid Economics and Energy Centre, University of Auckland Business School. (2012). *Green growth: opportunities for New Zealand - Report prepared for the New Zealand Green Growth Research Trust*. Auckland, New Zealand: University of Auckland. Retrieved from <http://www.vivideconomics.com/publications/green-growth-opportunities-for-new-zealand>

⁶ Argent, N., & Boxer, S. (2013). *The Future is Here: new jobs, new prosperity and a new clean economy*. Auckland, New Zealand: Greenpeace New Zealand. Retrieved from <http://www.greenpeace.org/new-zealand/en/campaigns/climate-change/The-Future-is-Here/>

Just transition: international programmes

Sam Huggard, CTU Secretary

Unions around the world have committed to a just transition and are driving change in their home countries. This chapter gives examples from Canada, Australia and Germany of union involvement in just transition, as well as outlining the global trade union campaign led by the International Trade Union Confederation (ITUC).

Canada

Canadian unions have led the development of the 'just transition' concept. The Canadian Labour Congress, in coalition with others through the Green Economy Network, has produced the *One Million Climate Jobs* proposal⁷.

It identifies four strategic priorities for public investment to both create jobs and reduce greenhouse gas emissions: Clean renewable energy; Energy Efficiencies/Green Buildings; Public transit; and Higher Speed Rail Transport. They pair this with a call for a just transition strategy that is supported and devised by workers, employers and governments that embodies social support, re-employment and compensation measures.

Their modelling for job creation is based on a 2008 report by the Centre for American Progress⁸. The formula encompasses jobs created in three categories [i] direct employment in primary industries; [ii] indirect employment in secondary industries and suppliers; and [iii] induced employment in retail and service industries.

In an earlier (2000) document⁹, the Canadian Labour Congress described the elements of transition programs to meet the needs of displaced workers, being:

1. Support for communities to increase employment in new, diverse industries based on sustainable production and public/service sector job creation.
2. Facilitated transition to new employment via career planning, and preferential hiring for displaced workers
3. Protection of income from one to four years,
4. For older workers, an option of bridging to their pension and full retirement rate;
5. Re-education and re-training
6. Research and development, public and private investment, and corporate responsibility to move towards more sustainable production well in advance of crises
7. Economic diversification projects in areas dependent on one industry

Australia

Australian unions have been active in building support for just transition, with leadership from the CFMEU, AMWU and others. The Australian Council of Trade Unions (ACTU) convened a Just Transition forum in Canberra in 2016, attended by New Zealand union representatives from the NZCTU, E tū and the Dairy Workers Union.

⁷ See <http://greeneconomynet.ca/one-million-climate-jobs-challenge>. See also their earlier "Common Platform document which covers this material in greater detail: <http://greeneconomynet.ca/documents/>

⁸ See <https://www.americanprogress.org/issues/green/reports/2008/09/09/4929/green-recovery/>

⁹ Just Transition For Workers During Environmental Change, accessible at <http://canadianlabour.ca/issues-research/issues/green-jobs>

The forum saw the launch of a report, *Sharing the challenges and opportunities of a clean energy economy: A Just Transition for coal-fired electricity sector workers and communities*¹⁰. The report focuses on coal-fired electricity but provides a framework that can be applied to other industries.

The key proposal is for an independent statutory authority, charged with:

1. Overseeing an orderly transition plan, closure of Australia's coal-fired power stations and transition to renewable and low emissions generation.
2. Overseeing an industry-wide multi-employer pooling and redeployment scheme which provides retrenched workers with the opportunity to transfer to roles with renewable or low emission generators as well as remaining fossil fuel generators.
3. Administering and developing a labour adjustment package that supports workers' transition into new decent and secure jobs, including job placement and information services, retraining with an option for this to be undertaken whilst still employed, financial and personal support and travel subsidies and relocation assistance.

The authority would also instigate the development of specific plans to support the economic diversification of regions with high emission power generation, by mapping potential new industries based on competitive and other advantages as well as worker skills, and would develop policies to attract new investment, new industries and good jobs (policies such as renewable energy investment incentives, investment tax incentives and the prioritised construction of new infrastructure.)

In arguing for a better, planned approach to transition, the ACTU cite research on previous structural adjustment in the textiles and car manufacturing sectors that show that only one third of workers find equivalent full time work following their retrenchment, one third move into lower quality jobs and one third are locked out of the labour force altogether.

Since then, important just transition agreements have been reached including the historic Latrobe Valley Worker Transfer Scheme in Victoria and the development of a new solar thermal power plant for Port Augusta in South Australia.

Germany

The German government has implemented an active programme to transition out of coal mining. Coal mining jobs have dropped from 130,300 in 1990 to 12,100 in 2014. Germany's last two coal mines will close at the end of 2018.

In 2007, the federal government reached an agreement with two state governments, a large mining firm (RAG) and the Mining, Chemical and Energy Industrial Union to discontinue government subsidies for coal mining and find 'socially acceptable means' of ending the mining of coal in Germany by 2018. The RAG-Stiftung (RAG Foundation)¹¹ was commissioned to achieve the goals that were formulated in the agreement. From the beginning, unions, employers and government cooperatively planned the transition with a long term focus to ensure workers and communities were effectively supported.

The Foundation's aim is to ensure that workers have been transferred to new jobs by 2018 or are enrolled in a Personnel Development Centre. Preference is given to displaced workers to workers to take up new employment opportunities in remaining mines. Training is provided to workers so that they can find good jobs in other industries. Some workers have opted for early retirement, supported with transition payments available for up to 5 years.

¹⁰ Available at <http://www.actu.org.au/our-work/policy-issues/actu-policy-discussion-paper-a-just-transition-for-coal-fired-electricity-sector-workers-and-communities>

¹¹ See <http://www.rag-stiftung.de/en/about-us>

There are financial security measures for workers through redundancy protection, wage safeguards and other measures, but there is an expectation of flexibility: where a workers' job ceases to exist they accept that they may have to take up another one in another part of the country either in the coal industry or at a subsidiary company of their employer. The union negotiated some limitations to clarify the circumstances in which this is used and how many times workers can be moved between different and often geographically distant plants.¹²

The foundation is also charged with implementing and financing measures for permanent management of pit water and groundwater following mine closures, and for investment in other social and cultural activities.

International

The ITUC has been committed to action on climate change since its foundation in 2006 and has been instrumental in developing the just transition approach that is one of the three 'frontlines' of action for the ITUC today. The ITUC's Just Transition Centre supports union involvement in climate action by sharing policies, actions, and voices on just transition. The ITUC have written a number of action documents on just transition, provide regular briefings ahead of climate negotiations and lobby for inclusion of just transition measures in global climate agreements.¹³

Several other union movements are developing their just transition response. For example Norwegian trade unions, with environmental organisations, churches and researchers have come together for a democratic, planned, just transition that creates 100,000 climate jobs, and allows for slowing down the country's extensive oil and gas extraction.

A number of Global Union Federations (GUFs) have also adopted policy commitments and work programmes on just transition or policy statements. Several GUFs, including PSI, BWI, ITF, IUF and EI have joined with unions and national union centres to form the Trade Unions for Energy Democracy network, advocating for democratic direction and control of energy and action for just transition.¹⁴

¹² See Béla Galgóczi, The long and winding road from black to green, Decades of structural change in the Ruhr region, International Journal of Labour Research 2014, Vol. 6, Issue 2, p.221. Accessible at http://www.ilo.org/actrav/info/international-journal-labour-research/WCMS_375223/lang--en/index.htm

¹³ See <https://www.ituc-csi.org/climate-justice-and-industrial> for their documents

¹⁴ See www.unionsforenergydemocracy.org

Unions taking action

Responding to the challenges of transition to a low carbon economy requires action at every scale of political and social life, from our local communities and workplaces to the broadest forms of national and global coordination. Trade unions are unique in their capacity to work democratically across this span of activity, linking working people in local communities to national and global organisations. The deep local roots and global reach of the trade union movement makes a powerful force for a just transition.

Working people in union understand that the effects of climate change will not be evenly felt, but will impact most harshly on poor and vulnerable populations. The union movement recognises that we all have obligations to act in support of working people who will be impacted by climate change, by making a just transition to a low carbon economy.

Union commitment to Just Transition

Unions are linked into a global network of advocacy and activism for Just Transition through membership of the International Trade Union Confederation, as well as regional bodies and global union federations of unions in different industries. This means that all union members are part of supporting the international efforts to respond to climate change described in the previous chapter.

Unions in Aotearoa have formed a consensus around Just Transition, with the CTU National Affiliates' Council formally committing the organisation to a Just Transition policy in 2017. This commitment was made on the recommendation of a Just Transition working group formed by affiliate unions to share experiences and coordinate ongoing action.

New Zealand's largest union, the Public Service Association (PSA), also committed to a climate change policy based on Just Transition in 2017. Based on this policy commitment, the PSA has stepped up activism on climate change issues, endorsing a national petition for climate action and taking part in protest action during the Wellington visit of US Secretary of State Rex Tillerson after suggestions that the US could withdraw from the Paris Climate Agreement.

E tū, the largest union in the private sector, also made a formal policy commitment to Just Transition in 2017, based on ongoing work within the union and internationally. This was especially significant as E tū is the union representing workers in the energy and mining sectors. Like their counterparts in Australia and other countries, E tū support a just transition to renewable energy. In this context, just transition means changes need to be based on proper engagement with all stakeholders including affected workers, with opportunities for retraining and a focus on regional development to create the good jobs needed to sustain communities. As the world of work is set to change dramatically in the coming decades due to automation, new technologies and many other factors, E tū believes that getting a Just Transition right for energy and mining workers will be an important blueprint for how society handles these changes across many other industries in the future.

The New Zealand Nurses' Organisation (NZNO) made a policy commitment to Just Transition in 2016, with a particular focus on the connections between climate change and health.¹⁵ This commitment formalised a position that had been expressed by the NZNO for

¹⁵ NZNO. 2016. Position statement: Climate Change.
<https://www.nzno.org.nz/Portals/0/publications/Position%20statement%20-%20Climate%20change,%202016.pdf>

several years, including public support for the World Health Organisation's (WHO) global call to action to protect health from climate change.¹⁶ In 2015, NZNO members joined other union members in taking part in the people's climate march.

The New Zealand Education Institute (NZEI), the union for education staff including early childhood educators, primary school teachers and support staff, adopted a policy commitment to Just Transition in 2016. NZEI's response to climate change complements the Just Transition framework with a commitment to a kaupapa Māori approach. Following the commitment to a Just Transition policy, NZEI established a working group with the goals of becoming carbon neutral as a union and working with other groups in the education sector to support transition to low-carbon neutrality.¹⁷

Unite Union adopted a policy commitment to Just Transition in 2015 and has focused on building member activism on climate issues, including participating in protests such as the 2015 People's Climate March. Unite organiser Gary Cranston took part in the international union delegation to the COP21 climate negotiations and joined union members from around the world in calling for stronger action to cut carbon emissions. Unite worked together with Climate Justice Aotearoa and 350.org to develop and run workshops on climate action for members. The resource book and workshop guide "Find Your Frontline" is available for other unions and community organisations to use and adapt.¹⁸

Unions contributing to a just transition

Unions in every industry have opportunities to contribute to the necessary transition to a low-carbon economy.

Transport unions, including the Rail and Maritime Transport Union (RMTU), the Maritime Union of New Zealand (MUNZ) and the Tramways Union, have been longstanding supporters of low carbon public transport and freight infrastructure. In particular, RMTU has been leading a campaign to restore and extend electric rail services between main centres, which would play a key role in reducing carbon emissions due to freight and passenger travel on roads.

Unions in the public sector are beginning to work with government and community agencies to promote low-carbon alternatives in their activity and procurement. In addition to the role of the state as regulator, there is an important role for the state to lead by example in making the transition to low-carbon alternatives in all areas of public activity. Unions working in the broad public sector, from public services including education and health to local government, community sector, and the core public service, have begun discussing what a low-carbon transition would require and will be raising this with the relevant agencies.

Unions have agreed on the need for a Climate Commission as a core crown agency with a mandate to lead a low-carbon transformation in the public sector as well as driving as integrated approach to regulation, intervention, and investment in the private sector to ensure New Zealand can meet and exceed international commitments to lower carbon emissions.

¹⁶ WHO. WHO calls for urgent action to protect health from climate change.

<http://www.who.int/globalchange/global-campaign/cop21/en/>

¹⁷ NZEI. 2017. Annual Conference 2017: Climate Change.

<https://ac2017.nzei.org.nz/programme/climate-change/>

¹⁸ Climate Justice Aotearoa and Unite Union. 2016. Find your Frontline: Just Transition Workshop.

<http://www.climatejusticeaotearoa.org/findyourfrontline/>

For unions in the private sector, commitment to just transition includes promoting worker involvement in the transformation of work processes and systems. Systems of worker involvement have been developed in partnership with unions to improve productivity at many firms, including at Air New Zealand and KiwiRail. These agreements provide a model for the kind of workforce engagement that will be needed to transform work in the transition to a low-carbon economy.

Making the transition to a low-carbon economy in the private sector will require high-level leadership based on partnership between unions and employers, responding to appropriate government regulation and carbon-pricing, and implemented through deep engagement from a workforce that is educated and empowered to transform their processes of work at every level. Where there are costs and sacrifices to be made in the process of transition, these will need to be shared equitably, along with the benefits of new opportunities. Managing a just transition requires national conversations between government, employers, and unions to get regulatory settings right, coordinate positive change, and equitably distribute the costs and benefits of economic transformation. The union commitment to just transition is a commitment to this change at every level of the economy.