Just Transition in action

Union experiences and lessons from
Canada, Germany, New Zealand, Norway, Nigeria and Spain.
As heat waves, droughts, and extreme weather events add up, people are demanding climate action. There is a growing understanding that a real response to climate change requires both deep and rapid economic and sectoral transformation.

These transformations are still possible and they can still be just. Zero and low emissions technology and know how exist for every sector, from power to heavy industry, aviation, buildings, and transport. In an increasingly fractured and unequal world, we know how to bring people security: With decent jobs, social protection, quality public services, and fair tax and investment.

We need a Just Transition that brings people on board and leaves no one behind. Workers and communities are on the frontlines of climate change; trade unions represent the voices of working people globally. Their support is essential to get more ambitious climate action. That support comes through a Just Transition: A process with workers and their unions, businesses, governments, and communities at the table that delivers climate ambition along with real plans for decent jobs, regional redevelopment, and social protection.

Unions have solutions. Together, the union movement has shown that Just Transition works. Where workers and communities are at the table building plans for a Just Transition, in Canada, Spain, Germany, the Netherlands, New Zealand, Scotland, Norway, and elsewhere, climate action gains popular support and moves forward.

This report captures some of those solutions from trade unionists who are actually doing the work. It provides practical advice and examples. Through case studies and videos, trade unionists explain what they did, what worked, and what didn’t work as they talked to members, negotiated national agreements, and formed alliances focused primarily on transforming the power sector and phasing out coal through a Just Transition.

The case studies in this report are snapshots of works in progress. In Canada, Germany, the Netherlands, New Zealand, and Spain, unions are turning Just Transition agreements into legislation, investment, and collective bargaining agreements. In Norway and Nigeria, the work on Just Transition and the oil and gas sector is just beginning, but there’s already a lot for others to learn.

The report comes out of a unions-only workshop held in March 2019 by the Norwegian Trade Union Confederation and the Just Transition Centre, on Just Transition in the Energy Sector: Oil, Gas and Wind. Unions represented at the workshop came primarily from oil-producing countries, though some were from countries that are trying to transform the power sector and phase out coal.

The workshop had two parts. One focused on best practice in getting Just Transition agreements on the national level. That is the basis for this report. The other part of the workshop was an internal discussion of Just Transition and what it might look like in the oil and gas sector. That was a hard but useful discussion, and one that we will continue in 2020.

Many thanks to everyone who contributed to this report – we appreciate you!
Just Transition in Canada

When the Canadian government in the fall of 2016 announced that it would phase out coal-fired electricity by 2030 to reduce pollution and meet climate targets, the Canadian Labour Congress (CLC) called on the government to create a Just Transition Task Force.

As the labour movement we support phasing out coal, even though we represent the workers who will be directly affected by this decision, says Tara Peel, National Director for Health, Safety and Environment in CLC, Canada.

At the same time, CLC called on the government to embark on this transformation to clean energy through a Just Transition. This was to ensure that the workers directly affected by the transition did not have to shoulder the burden of the transition. They and their unions wanted a federal Task Force with labor at the table.

Every three years CLC holds a national convention that assembles several thousand delegates, including leadership and rank and file members. Its last convention was in 2017. CLC of course began advocating for a just transition task force before their convention. But this time CLC spent one of the four days of their national convention debating and discussing green jobs and Just Transition.

CLC’s convention consequently unanimously passed “Green jobs for a fair future,” the policy document that emerged from the debate. Just Transition was a key part of the policy. CLC president Hassan Yussuff therefore had a strong mandate to pressure the government to strike a federal Just Transition Task Force.

The Minister announced that a task force would be struck at COP 23 in Bonn and launched its work April 2018. President Yussuff was appointed to chair the Task Force, which included unions representing workers in different sectors of coal power. They met for the first time in April 2018.

In the short and intense period that followed, the Task Force travelled to Canadian coal communities and personally met with virtually everyone involved in the closure of the coal power sector: Workers and their families, employers, labour union representatives, provinces, municipalities, community members, business representatives, non-governmental organizations and other stakeholders.

The Task Force’s final report details what the Task Force heard, by province and theme, during this engagement process.

– We spent the spring travelling as a Task Force to the communities in the four provinces that are still using coal to generate electricity, Peel says.

Task Force members heard from workers about their experiences at work, their hopes for the future, and their fears about what this transition could mean for them, their families and their communities.

Did workers have more hopes or more fears? The answer, Peel says, is that it really depends. One of the things the Task Force found is that a one-size-fits-all-approach will not work for the coal transition in Canada. The reason is obvious: Different provinces have different utility structures, with some fully privatized and others fully state-owned, and with some
already diversifying energy sources and others not. Peel explains that some utilities are further down the path than others. As a result, where workers are in the transition and what they see as the jobs that can replace the jobs they have today, has an impact on whether workers are fearful or hopeful.

Canadian coal plants and coal mines are primarily located near smaller communities. Jobs in coal are among some of the best jobs, certainly the best paying jobs, in those communities. And the people doing those jobs not only support their families with their jobs, but their whole community with taxes and with money spent in the area. And each municipality in those provinces is quite different.

Peel uses the example of Alberta to explain this point. In Alberta, there are some smaller municipalities that are closer to bigger centers. The prospects for jobs and the ability to transition into new work might therefore be easier in those municipalities. Other communities are more rural and several hours away from larger centers. To replace coal jobs and identify where workers will work next is a real challenge.

Even with this diversity, there were themes that crossed boundaries and that came up again and again. One of them was how clear it was that solutions need to be locally driven and locally delivered solutions.

When we ask Peel if she believes these workers will have good, green jobs in the future, the answer is that she thinks the decisions and actions that local, provincial and federal government, employers, and unions make now will determine that.

- In some places it will be a focus on renewable energy. In some places it will look very different. And so, again, having those affected workers at the table helping to figure out what’s next, and having unions helping to shape that future, will ensure that first of all there are good jobs.

She explains the quote they heard from workers: “There are no parking lots at wind farms.” While Canada is increasingly building out wind and solar power, the number and quality of jobs in renewable energy isn’t always at the same level as jobs in fossil fuels. And R&D and the supply chain for renewables, including manufacturing, isn’t yet in Canada either. Workers need real answers on jobs and job quality, and Canada needs a strategy to get domestic clean tech R&D and manufacturing. They need real answers on jobs and job quality.

Another part of the challenge is that the infrastructure for those new jobs has not been built. Which means that when thinking about good, green jobs that don’t yet exist, you have to make sure that everyone is included and on board and that plans are concrete and will be delivered. Most important of all, industrial workers must be able to see themselves in this future.

In early 2019, the Canadian Task Force for Just Transition provided two reports on how to make the transition away from coal-fired electricity a fair one for Canadian coal workers and communities. Made up of a broad range of experts, the Task Force completed its mandate. There were some commitments in the 2019 federal budget: $150 million fund for economic diversification in coal communities affected by the phase out. They are awaiting a response on several recommendations, including those related to supports for affected workers.

The report can be found at this link:

Key advice to union members in other countries

When asked for advice for union members in other countries, Tara Peel first of all says that you should make sure that your mandate is to go and listen to those affected workers and to listen with empathy. Peel also stresses that you should meet the people and the communities that have done this work with respect.

- My friend in Alberta often says that these workers have literally dedicated their lives to keeping the lights on. And there is no shame in that work. When we have to transition to something new, we need to do that from a place of respect and empathy, she says.

The starting point should therefore be that jobs in coal are good jobs that have contributed to prosperity not only for these communities, but for our whole country.

- And as we decide as a country that we need to do something differently to protect our planet, which is critical, we need to make sure that these workers and these communities don’t bear the burden of this transition on their own.
In 2018 Germany launched a highly anticipated commission on transforming the power sector, including phasing out coal power. The Commission’s task was to agree concrete measures and timelines for reducing CO2 emissions in line with Germany’s climate targets, as well as ensuring a Just Transition for coal workers and regions. They were also to name an end date for coal-fired power production.

The DGB (the German Trade Union Confederation) was one of three unions represented in the Commission. DGB is the umbrella organization for trade unions in Germany. Two stakeholder unions are members: The Industrial Workers’ Union for Mining, Energy and Chemistry (IGBCE) and the United Services Trade Union (ver. di).

The Commission had just seven months to create a plan for the power sector and Just Transition, including phasing out coal. On one hand the plan had to deliver the climate targets in Germany. On the other hand, it had to shape a concrete, Just Transition for the mining regions and the regions where coal-fired power plants are located.

DGB’s role on the Commission was to bring the workers’ voice to the table and to struggle for good commitments and good compromises on behalf of their members. The final report was agreed in the early hours of January 26th 2019, after 21 consecutive hours of negotiations.

In retrospect we should of course ask what challenges and experiences we can extract from seven months of hard work in the Commission. After all, not many people have experienced working in a group with broad representation whose goal is to close down a whole industry – even if it is to be replaced with other sectors and jobs.

“We needed a lot of time at the beginning to create trust between the different members in the Commission,” Frederik Moch says. Moch is the Head of Department for Structural Policy, Industry and Services in DGB.

Like other government commissions, this Commission was of course also very broad and inclusive. It had scientists. Regional representatives. NGOs. Employers’ associations. Industry associations. And the trade unions.

Since the interests in the Commission were very different, it took time to build trust between the members, Moch tells. Therefore, smaller working groups were created inside the Commission. These groups wrote drafts on different pieces of the task. Based on these drafts, the
Commission could then negotiate the direction of agreements and compromises.

As an umbrella organization the DGB has eight member unions. They were all affected by the issues addressed in the Commission. Thus, it was necessary for DGB to make sure that the unions that didn’t participate in the Commission could still participate in the whole process. To do this, DGB arranged calls and meetings for its member unions to get their positions and consolidate views within the unions.

In total it was very good team play between the unions on the issue, Frederik Moch says. He points out that this was crucial to form a unified position in the union movement, get mandates, and negotiate a good result.

Today there is a great debate in Germany, both in public and inside the government, on how to deal with the Commission’s recommendations. Moch stresses that the report is a package. That everything is linked with everything. Cherry picking is not allowed – this applies both to the government and to the unions.

They expect that Parliament will pass the Commission’s recommendations at the end of this year.

And the recommendations are not free. Some elements will cost. One part, which has been highly debated, is the budget for the Just Transition in coal-dependent regions. The recommendation is to spend 40 BN EUR over a period of 20 years. But Moch stresses that this budget needs to be compared with the value created by lignite mining in these regions, which at the moment is 4 BN EUR a year.

To ensure that workers in coal mining and coal-fired power have good jobs in the future too, the whole process of phasing out coal in Germany should be linked to achieving milestones, Moch suggests. Through this kind of step by step process everyone can be sure that they are on track with an energy transition to a green and more sustainable future.

But this is a hard task, he points out, a big challenge. However, Moch believes that by following the path that the Commission’s recommendations created, Germany will be able to rebuild the economic structure in the regions and have the possibility create new, decent jobs.

To implement a Just Transition plan in your home country, Frederik Moch stresses that it is critical that unions stay together. And that they have a clear plan of what to do.

If you have a clear position, you are able to deal with other actors. And this is the basis, Moch says.

Based on experiences from the work in the Commission Moch believes the unions’ role is to be a kind of moderator between the positions of employers and the NGOs.

We had a mandate to say, “Yes, climate change is a big challenge we have to deal with, but on the other hand we also have to deal with the concerns of the workers, of the people in the regions. And bring both together.”

So, I think this kind of moderating is also an important role.
Just Transition in New Zealand

Recently the coalition government in New Zealand took an important step to address climate change and create a clean, green and sustainable future. They announced that they would stop issuing new licenses for offshore oil and gas exploration, leading to a phaseout of the sector by 2050.

While a report earlier this year from the New Zealand Institute for Economic Research (NZIER) predicted job losses, lower incomes for skilled workers and a cut in living standards, the government, unions and communities have responded with a Just Transition national plan and a plan for the regions most affected. What kind of contribution have the New Zealand trade union movement made to the development of actions and policies on Just Transition?

Sam Huggard, General Secretary for New Zealand’s Council of Trade Unions (NZCTU) says that the unions’ primary goal has been to put Just Transition on the political agenda. And in particular making sure that there is a plan to support workers through change collectively, rather than people being dealt with on an individual basis.

As Huggard puts it, after campaigning to get support for Just Transition from political parties, business, NGOs, and government, they now have strong public support for a Just Transition as the key response to climate change.

The government has committed to Just Transition on a policy level and formed a Just Transition unit. The unit’s primary focus is now to support the Taranaki region in New Zealand where much of New Zealand’s oil and gas industry traditionally has been based. Consequently, the Taranaki region is the region that is likely to be most affected by the government’s decision to phase out offshore oil and gas.

The government’s main task therefore is to come up with a transition plan to support the workers as the region, and the country, diversifies away from the oil and gas industry. As part of this process, the economic development agency of the Taranaki City Council have identified future opportunities for new jobs in industries such as clean energy, food and tourism.

The transition to this future will, according to Huggard, have to be quick – since the government has already made a decision to end future permits for offshore oil and gas exploration.

Unlike other countries, New Zealand has a very poor record of active labor market policies and policies to support workers going through change.

– It’s very much that you go to the local welfare office on your own and put your name on the job board, Huggard says.

One OECD report last year found that workers in New Zealand shoulder the economic cost of change much more than workers in other countries. The policy of Just Transition of course is miles away from this approach. And the unions’ approach
is to support workers collectively in the process of Just Transition and make sure that burdens and benefits are shared in a just way.

Given the starting point in New Zealand, the unions now have to work quite hard to get the need to ensure a plan to support workers through change high up on the political agenda.

– We should map out the skills and expertise of the existing workforce, and support the transfer of those skills and expertise to new industries with good paying conditions and good terms on a collective basis, Huggard says.

At the same time the unions are focused on ensuring leadership by workers. The union is working hard to build up the capacity of member leaders, delegates and shop stewards in the oil and gas sector.

– So how would you have a conversation about Just Transition and workers with an energy executive, or the city council or mayor, or with a community leader?

Huggard gives this question as an example of what a shop steward in the oil sector needs to know when approaching the question of Just Transition on behalf of his or her members.

Building up the delegates’ capacity to lead on the issue of addressing climate change and to be proud of the union’s role in creating a clean, green and sustainable future through Just Transition has been critical.

NZCTU are therefore encouraging unions not only to support these discussions on the shop floor, but also to build competence in union leadership, especially unions covering workers in the high carbon industry. The goal is to make sure leaders are well supported and trained to carry out this new leadership role with their members.

Like everywhere else in the world, in New Zealand jobs in traditional fossil fuel industries have been good. They have been secure, permanent jobs with good salaries. As the unions recognize that postponing the transition is no longer an option, union members and workers of course want to be sure they’re transitioning to equally secure jobs.

– But the good jobs will only come if the unions work hard to make sure that is the case, Huggard says.

NZCTU is going to work quite hard to ensure this, particularly through government policy and procurement. When the government is putting funding into communities or regions, they should also ensure that good labor standards are attached – that investment is only in good employment, health and safety, decent wages and conditions, Huggard says.

Earlier this year there was a very deep process led by Taranaki unions, investors and councils and indigenous communities to work out all the different opportunities for Taranaki in the future across energy, food and fiber, and tourism.

This led up to a Just Transition Summit in May hosted by the government. At that summit the outcomes of the community consultation process were delivered, along with a plan on how to diversify the region’s economy. Stage two will be the implementation.

– There will be good jobs, but only as long as unions make sure we achieve that, Huggard says.

– If we leave it to chance, then that may not be the case.
A Just Transition will be different in different contexts. The Nigerian Labour Congress is working to develop concepts and frameworks for Just Transition in the petroleum and agricultural sectors in Nigeria. One of their main objectives is also to strengthen the partnership between labour organisations and social movements.

- The most important part of this project is that it gives us an opportunity to see where the knowledge base is of workers, the community, and policy makers on the issue of Just Transition, Hauwa Mustapha explains.

Hauwa Mustapha is the Climate Change Coordinator for the Nigerian Labour Congress (NLC). Together with social movement organization Environment Rights Action (ERA) they are the two implementing partners in a new Just Transition project in Nigeria. The project is supported by the Just Transition Centre, the Dutch union FNV’s solidarity fund, and Friends of the Earth Netherlands.

Across Africa and especially in Nigeria, land-grabbing, destruction of livelihoods, and the introduction of GMOs by transnational corporations are displacing tens of thousands of small-scale farmers with implications for farm workers and impacted communities. In particular, deforestation, livelihood destruction, and impacts on communities from the extractive activities of transnational oil and gas corporations contribute to environmental degradation and human rights violations. Hence, defending communities’ rights and climate justice struggles have some resonance with labour struggles for rights of workers to a decent job and decent conditions of work.

- We can talk about Just Transition, but we cannot assume that the necessary stakeholders even understand the concept of Just Transition as we in the trade unions think about it, Mustapha says.

The project is the first of its kind in Nigeria and in a developing country. This collaboration between civil society and labour aims to ultimately lead to both a just outcome for workers and communities in the transition away from fossil fuels, and for the transition to happen more quickly.

- It definitely differs, Huawa says when we ask how working with Just Transition in a developing country differs from the process in industrialized countries.

- The concept will remain the same. The goal that we want to achieve will remain the same. In fact, even the road or how we want to get there will basically be the same. But one thing that is essentially different is the pace at which we move. Because the resources and capacity to require a successful transition are not the same. I mean, we’re far apart in terms of the capacity and the resources that are available to get us towards a low carbon economy through Just Transition.

ERA has been involved with the local communities in the Niger Delta for a number of years, working on agricultural plantations and palm oil plantations; NLC will work with their local union representatives on the ground to identify worker leaders. Mustapha says that the workers’ first reaction when discussing Just Transition is worry.
– People know there is climate change. People know that things need to be changed in terms of how we do things, how we live with our environment. People know that there are things that have to be done. And that it involves costs. Not necessarily financial costs, but also physical and human costs.

– They are not yet aware of the various opportunities that are available even in the course of transition towards a low carbon economy.

Mustapha points out that social dialogue is fundamental to Just Transition, but it hasn’t yet really started:

– We have not reached the required level of social dialogue between the trade unions, the communities and the policy makers.

Still Hauwa Mustapha is optimistic when discussing the opportunities for good and decent jobs in a greener future.

– Definitely. Definitely. Definitely. If you told a worker some 30–40 years ago that you were going to stop using the manual typewriter and that you’re going to have a laptop. And that you’re not going to be able to walk into a telecommunication factory where you use the land line, but that you’re going to have your own mobile phone. Some workers would probably have doubted the possibility of that.

– But here we observe the world has changed. And for every new technology that came, new jobs were created. The same thing is going to happen in the process towards a low carbon economy.

– Certain jobs are going to be lost. The workers are aware of that. New jobs are going to be created. Now we don’t know what kind of new jobs. How will we fit into these new jobs? What kinds of skills will we need? How do we develop the new skills to fit into these new jobs?

– So I think these are some of the issues that are in the minds of workers. These are issues of uncertainty; these are issues that have not been properly clarified. But we are in the process of unraveling all these issues.

As a first of its kind project, it is hoped the project will provide a concrete example to inspire, inform and mobilize other unions and environmental organizations in developing countries on undertaking a Just Transition process in similar circumstances.

And perhaps they are heading on the right direction. Because, as a good start, the government has asked NLC to develop a kind of road map of Just Transition in Nigeria.

– The government has invited the NLC to “...develop a national roadmap outlining action plans for domesticking the international Silesia Declaration on Just Transition to chart a new low carbon economy and build workers’ perspective on the implementation of the NDC and related domestic policy instruments”, Mustapha says.

– But this recognition of NLC’s work did not come without struggle, Mustapha points out.

**Key advice to union members in other countries**

– It is important to understand where our strengths are, Hauwa Mustapha says when we ask her to give advice to union members in other countries.

– And also understand where our weaknesses are. Identify our opportunities. And that the weaknesses and the opportunities are unique to different communities.

– So if I see what is happening for instance in Germany, all I will need to do is just learn lessons from there. But not necessarily take the whole picture of what is happening in Germany and import it to Nigeria. It is not likely to work.

– So my advice is to look at the general. But out of the general find what fits into your own local context.
In 2018 Spanish mining unions won a landmark deal for a Just Transition for coal workers. This came after years of struggle as successive Spanish governments tried to end subsidies to the mining industry and close mines. Last year’s deal includes sustainable development plans for mining regions.

- The plan was the result of hard work and struggle as a confederation with the colleagues of Unión General de Trabajadores (UGT), who represent coal miners, Carlos del Barrio Quesada says. He is the Sectoral Policy and Sustainability Officer for the Confederación Sindical de Comisiones Obreras-Inicio (CCOO) in Spain.

The €250 million Plan del Carbón deal will see the closure of all Spanish coal mines that are no longer economically viable. The agreement was reached between the Socialist government and the unions Federación de Industria de Comisiones Obreras (FI-CCOO), Federación de Industria, Construcción y Agro de la Unión General de Trabajadores (FICA-UGT) and Federación de Industria de la Unión Sindical Obrera (FI-USO).

The government will fund a transition that is expected to take place between 2019 and 2023.

- We had really, really great discussions. A very clear and robust discussion between our delegates in coal mining, our industry federation and our confederation. The basis was that we need a Just Transition for the people that are working in the coal sector, Carlos tells.

Even though coal mines don’t employ a large number of people relative to the total economy of Spain, they are critical employers for people in the regions of Asturias or Puertollano. People in these regions would be severely affected by a hard and unfair transition. The affected unions therefore established a group to discuss their policy inside the trade union movement.

In the group they put every argument on the table. And they understood that as a union they had to be part of the transition. The reason, they realized, was that if they were not able to negotiate an outcome, they wouldn’t have an agreement and a plan for workers. If so, the consequences could be even worse for the workers.

The best part of that discussion, Carlos says, was their coordination as a trade union with the comrades in UGT who represent the affected coal miners. But also just having the discussion and a sincere debate on the principles, challenges, risks and opportunities. This debate made them sharper and more unified when they later negotiated with employers and the government.
The Just Transition deal replaces subsidies to the coal industry with a sustainable development plan. Financially viable mines can remain open, but ten pits and open cast mines are expected to close by the end of the year, with the loss of 1,677 jobs. The deal covers eight companies with 12 production units in four regions of Spain. The biggest employer is the state-owned mining company HUNOSA, with 1,056 employees.

When confronted by the unknown, workers are naturally worried about the future, Carlos says. Especially when they don’t know what the future holds. Working in a sector that is dangerous, with hard physical conditions and severe pollution, they have struggled for better working conditions for years. But now everything is changing.

– For many of these people life is not only changing, Carlos says, it’s shut down.

But he thinks that the unions did good, careful work to convince people that the Plan del Carbón was necessary. And also, that the plan doesn’t represent the unknown. The plan represents the future. A future for entire areas.

– Because we have 250 million of Euros to reinvest in the areas, Carlos says. And that’s important. That’s really important. We have a process of training and retraining the people that lost their job with the mine closures. And that’s a really good opportunity because we negotiated in the plan that the people that lose their jobs because of this transition have priority for new jobs funded by this investment.

In addition, money has been set aside to restore and environmentally regenerate former mining sites. Priority for employment in these jobs will go to former miners. Money will be set aside to upgrade facilities in the mining communities, including waste management, recycling facilities and water treatment plants, utilities infrastructure and distribution for gas and lighting, forest recovery, atmospheric cleansing and reducing noise pollution.

An action plan will be created for each mining community, including plans for developing renewable energy and improving energy efficiency, and investing in and developing new industries.

Key advice to union members in other countries

To implement a Just Transition plan in your home country, Carlos del Barrio Quesada advises unions to socialize the problems and democratize the problems.

– The trade unions are strong because we have a collective discussion, he says.

– Collective discussion is the best way to get a good process of negotiation in every part of the world.