

Make the recovery fair

In the UK, there is considerable regional inequality. Both productivity and earnings are more than [30 per cent higher](#) in London than the national average, while Wales and the North and East Midland regions lag behind. These regional inequalities can be reduced by building long term employment in industries likely to grow and accelerate as the UK moves to a low carbon economy, including renewable energy, low carbon transport, energy efficiency, recycling, remanufacturing and repair.

Challenges and risks in recovery

It is likely, as a result of the impact of the Covid-19 pandemic, that there will be a rise in long term unemployment, which would have huge social and economic consequences for communities. As with the impacts of decarbonisation over the long term, and particularly the major impacts on carbon-intensive industries, this could show significant regional variation.

Similarly, those who work in high carbon industries, like oil and gas, risk having skills only suited to industries in decline, while there are [significant skill shortages](#) in newer industries. A short term response to the pandemic that props up the industries of the past will lead to unsustainable employment on the longer term.

Opportunities in recovery

- **Invest in resilient jobs.** Ensuring that industries compatible with the government's net zero carbon goal for the economy are prioritised, including in renewable power, upgrading the energy efficiency of homes and creating a more circular, resource efficient economy, has significant regional job creation potential.
- **Create a low carbon skills strategy.** Retraining programmes for those who are unemployed or for those leaving high carbon industries in decline will ease the transition and open up new employment opportunities in the industries of the future.
- **Give communities a voice.** Regional 'recovery assemblies' will engage people around the UK in the decisions that need to be made now.

Investment and policy to make the recovery fair

Prioritise sustainable employment opportunities

As concerns about high and potentially long term unemployment caused by the coronavirus crisis increase, the government will rightly prioritise projects that have high job creation potential as part of the recovery package. This is a prime moment to kick start greater employment opportunities in the green industries of the future. These industries will be more resilient as the economy shifts towards meeting the government's net zero by 2050 goal.

To help prioritise sustainable employment, the government should introduce a test on investment as part of a recovery package that takes into account not only job creation, but also longevity of employment opportunities. This will avoid investing in industries set to contract in future. Housing energy efficiency retrofits, electric vehicle manufacture, building and upgrading public and active transport infrastructure, new recycling and remanufacturing services and carbon capture and storage are all industries that offer long term, large scale employment prospects in the near future.

Create a low carbon skills strategy

The government should set out a bold vision for the future of employment in the UK, working with local communities through 'recovery assemblies', including timelines for achieving it. This should include:

- Running regional retraining programmes

Closing high carbon sectors without putting alternative retraining options in place risks devastating social and economic impacts in regions that have depended on those sectors for employment. Such impacts could linger for decades.

However, it can be difficult to shift high carbon jobs to low carbon ones, as they may not be located in the same region or the skills may not transfer easily from one sector to another. The UK should follow international examples on this, where regional retraining has been important in successfully moving away from coal mining to cleaner industries. In Spanish coal mining communities, the [government has invested](#) in environmental restoration and regeneration of former mining sites, with former miners prioritised for the new jobs on the sites.

Similarly, the German government created [a decontamination and environmental clean-up company](#) to provide 20,000 new jobs in post-industrial regions facing high job losses. In the Australian town of Port Augusta, local residents and businesses were engaged in creating a '[clean energy transition](#)' that transformed the town into a local energy hub, with 13 renewable energy projects, 3,000 new jobs in construction and millions of dollars in investment provided when the local coal power plant closed.

As the UK will need to stimulate job creation after the pandemic, the government should work with regional Skills Assessment Panels to identify what the low carbon opportunities are for each area, and what the likely skills shortages in those low carbon industries will be. They can then support retraining programmes for local people, including those who have lost their jobs as a result of Covid-19.

- Working with professional bodies

Certain sectors require new skills to help them adapt to a low carbon transition. For

example, current gas boiler installers will need training to install new heating technologies, like heat pumps; farmers will need to become experts in new sustainable techniques in farming; and construction workers could be retrained to work on the offsite manufacture of components for whole house retrofit. The government should work with professional bodies to design appropriate retraining programmes and then help industry to undertake them, potentially by subsidising training fees.

- Make retraining programmes a condition of industry bailouts

As the New Economics Foundation has [proposed](#), the government should respond to the likely decline in employment in high carbon industries with a new skills and employment strategy which facilitates the retraining of workers at risk of redundancy in high carbon sectors, supports them into other roles, including emerging job opportunities outside the sector and to roles linked to decarbonisation within the sector.

If the government provides bailouts to high carbon sectors like airlines or oil and gas, it could make the support conditional on those companies providing this type of retraining, so workers can easily transition to lower carbon roles.

Hold recovery focused citizens' assemblies

Economic recovery from Covid-19 could be a turning point in many aspects of society. Local communities deserve a say in the changes that are to come. Local communities should be involved throughout in the conversation through 'recovery assemblies' where a representative sample of local residents are involved with developing recommendations for how investment should be spent to revive their area through deliberative processes. This would help to ensure that the economic recovery is fair across society and bring together communities and workforces, to find solutions that the community, businesses and local and national government can all agree on and get behind. Where relevant, their findings should be considered alongside the outcome of recent local and national climate citizens' assemblies.

This is one of five briefings supporting our publication [Blueprint for a resilient economy](#)

Green Alliance

11 Belgrave Road, London, SW1V 1RB

020 7233 7433

ga@green-alliance.org.uk

www.green-alliance.org.uk

blog: greenallianceblog.org.uk

twitter: [@GreenAllianceUK](https://twitter.com/GreenAllianceUK)

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