

The Employment Impact of Climate Change Policies: the UK

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Introduction

- How is the UK addressing the issue of climate change?
- Employment trends will be altered in a low-carbon economy
- What have the social partners done together? What can they do?
- What has the CBI done?
- Conclusion



How is the UK addressing the issue of climate change?

- 1997: Kyoto Treaty...
- 1999: Introduction of Climate Change Levy
- 2002 (-2006): UK voluntary emissions trading scheme
- 2006: EU ETS introduced
- 2006: Stern Review of the economics of climate change
- 2008: UK Climate Change Act – 80% emissions reductions by 2050
- Political consensus around the need for action
- Also a business consensus...



...however, there are risks as well as opportunities

Global market could be worth over \$2 trillion by 2020

Opportunities in adaptation as well as mitigation, including SMEs

Range of UK strengths e.g. services, high VA engineering, system wide applications

At-risk sectors such as energy-intensives (e.g. steel, cement, chemicals)

UK public funding for energy R&D only 1/3 EU average

Pressure for rigour & transparency in corporate carbon performance

Patchy business awareness/engagement

Employment trends will be altered in a low-carbon economy

- It is inevitable that the employment landscape will change as the economy evolves.
- The types of job available will change, as will the structure of existing roles:
 - New ‘specialist’ environmental jobs (e.g. energy efficiency experts)
 - Increased demand for traditional STEM skills as sectors expand (e.g. Nuclear)
 - Greening of existing roles (e.g. Facilities Managers).
- The impact will vary by sector, and by region.
- However, this will be as a consequence of economic transition...
- ...and to attempt to ‘manage’ the process is extremely complex.
- So, if ‘green jobs are not exciting *per se*, what should we be doing? Focus on:
 - STEM skills
 - Employability skills

What have the social partners done together? What can they do?

- At the national level:
 - The Forum for a Just Transition
 - Work with think tanks (e.g. IPPR)
- At the workplace level:
 - Employers can work with recognised TUs to reduce energy use etc.
- However, TU density is low in the private sector (15.5%) and heavily focused in certain industrial sectors. Growth sectors?
- British exceptionalism?

What has the CBI done?

- Our work changed dramatically after 2005 – moved from a reactive to a proactive agenda:
 - 2007: Established CBI Climate Change Board
 - 2009: CBI ‘Roadmaps’ for a low-carbon economy
 - 2009: ‘Creating a low-carbon future’ forms one pillar of the CBI’s EU Strategy
 - April 2010: Joint BDI-CBI ‘Statement of Principles on Climate Action’
- But, also more localised work:
 - May 2009: ‘Future proof: preparing your business for a changing climate’
 - August 2009: ‘Getting involved: a guide to switching your employees on to sustainability’
 - 2010: CBI Wales ‘Blueprint of a green economy’

Conclusion

- It is ultimately what happens at the enterprise-level that will determine what happens at the macro-level.
- The CBI's work is therefore designed to help firms understand what is going on around them, and what they need to do.
- So, social partnership has only a limited role to play at the national level, and also across much of the private sector.
- Action on climate change is a necessity...
- ...to minimise the labour market risks, there is a need to focus on:
 - labour market flexibility
 - STEM skills
 - employability skills.

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