

EMBARGOED UNTIL 29 OCTOBER, 10h00 am.

Speech by President Michael D. Higgins
“Delivering a Just Transition for All”

EEAC / NESC Annual Conference 2020
Thursday, 29th October, 2020

A chairde,

I am so pleased to be here with you today at the annual conference of the European Environment and Sustainable Development Advisory Councils (EEAC), which Ireland’s National Economic and Social Council (NESC) is hosting this year.

The theme of your conference this year could not be more relevant, nor more urgently needed, focusing as it does on the critical issue of how a just transition for all may be delivered through the development of appropriate principles, policies and practice.

So may I commence by thanking Dr Larry O’Connell, Director of the NESC, and Mr Arnau Queralt Bassa, Chairman of the EEAC Network, for the kind invitation to join you here today and the opportunity to address you.

It is difficult to overstate the importance of this conference, given that it is taking place as we continue to deal with a pandemic that is having such devastating personal, social and economic consequences.

Your conference represents the taking of a unique opportunity to engage, in terms of adequacy and courage, with the theory, empirical research, policy and practice relating to one of the most critical challenges in contemporary public policy: how are we to ensure, within principles of inclusivity, that we move towards a net-zero economy and society across Europe, towards such a transformation as will result in regenerated soils, protected biodiversity and oceans, and a thriving circular economy – adjustments, all of which are so urgently necessary if we are to avoid ecological catastrophe.

Just Transition

‘Just transition’ is a framework which was developed by the trade union movement to encompass that range of social interventions which are needed to secure workers’ rights and livelihoods when economies are shifting to sustainable production, while having as a primary aim combating climate change and protecting biodiversity.

The term ‘just transition’ appears to have been first coined by North American trade unions in the 1990s to describe a support system for workers that were facing unemployment owing to necessary environmental protection policies. One early proponent was Tony Mazzocchi, who described it as a “superfund for workers”, one that would provide financial support and an opportunity for higher education for those displaced by emerging environmental

protection policies. The term's further evolution is of course well-described in an article published in the International Journal on Labour Research in 2010 by Annabelle Rosenberg.

The concept itself can be considered as an ecological application of an economic conversion that was developed in the 1980s when anti-war activists sought to build a coalition with workers in the armaments industry, thereby giving them a stake in the anti-war movement and peace economy. It brings to my mind the work of the great Irish-born scientist and trade union activist Mike Cooley, best known for his work designing and promoting the theory and practice of human-centred, socially useful production and innovation.

'Just transition' is, therefore, about profound structural change that has personal and societal ramifications. However, it is a transformation that will be defined by the values brought to it, hence the importance of all partners, trade unions and socially concerned employers being involved in the dialogue as to how the industry or sector is to be restructured.

There is a concern, which is correct in my view, that periods of economic structural change could leave workers, their families, and communities to bear the costs of the transition, thus leading to unemployment, poverty, and exclusion for those left behind, in contrast to those with more flexible and mobile skills sets who are able to afford and adapt to the transition.

This is a very real concern. It is based on evidence of previous structural transformations that have occurred, such as that in the 1980s with the closure of the coal mines in Britain and the devastating consequences that ensued for the lives and livelihoods of the miners, their families and communities, and the loss of a social cohesion that has not been recovered to this day.

'Just transition' addresses this concern by promoting sustainable actions to help workers in a transition, by ensuring workers' voices are part and parcel of any conversion. Uniting the great and urgent projects of social and climate justice by means of a just transition necessitates, for example, that we comply with demands for fairness for coalminers and peat-extraction workers in coal- and peat-dependent, underdeveloped regions who lack employment opportunities beyond coal and peat; fairness for farmers who will be required to change practices for the protection of climate and natural systems; fairness for workers in emerging economies who demand their share of the so-called 'industrialisation dividend'; fairness for those having to abandon their homes as sea levels rise and threaten coastal regions and islands as a consequence of climate change; fairness for those populations impacted by air pollution and broader environmental impacts of fossil fuel use.

The challenge is to produce policy measures which enable workers and sectors to be the arrow of change rather than the battered target of random initiatives.

In Ireland, 'just transition' will be particularly pertinent to both the agriculture and peat-extraction sectors. If our climate targets are to be met over the coming decades, we will all have to make significant changes to our lifestyles, but for some the changes will be more considerable. Farmers, for example, will be required to change the basis of their livelihoods, and peat-extraction workers will, when the extraction ceases, have to be enabled to move into more ecologically sustainable occupations, or, in some cases, compensated in such a fashion as will enable their changed but full participation in community life.

This will make for a real challenge in terms of how we think and act. It is the challenge of taking a new road and it will entail having to eschew any reluctance to question the assumptions, practices and structures of decision-makers that may be neither helpful nor inclusive or represent simply lazy thinking.

NESC Report #149

We are fortunate in that there is significant research available to Governments and their institutions that now face the challenge of managing the just transition to an eco-social sustainable future.

Many people have written of the significance in Irish economic history of the publication of what was to become known as ‘The Whitaker Report’ and its connection to Ireland’s First Programme for Economic Expansion 1958 to 1963.

Dr. T.K. Whitaker has been rightly honoured for his dedicated and exemplary work as a senior civil servant and insightful economist. While many reports on different aspects of society and economy have made a valuable contribution, few have acquired the seminal status of an influencing document on public policy such as Dr Whitaker’s document did some 62 years ago.

In an opinion piece I wrote for the Irish newspaper, *the Sunday Business Post*, published in April this year, I stated that I believe there is a contemporary candidate in the report, *Addressing Employment Vulnerability as Part of a ‘Just Transition’ in Ireland*, published by the National Economic and Social Council in March this year (2020).

It would be so regrettable if, owing to the understandable focus on the COVID-19 pandemic and its impacts, that this, what I believe to be a seminal document, did not receive the attention it deserves. That loss would be considerable given that the analysis contained in the report is the product of consensus from all sections of the Irish economy, civil society and the public service. It is, however, for reasons even beyond that consensus, important as it is, that the document has significance and demands attention.

NESC had been requested by Government to examine the specific issue of the vulnerability for workers, in all forms of employment, and sectors impacted by two transitions – the transition to net-zero carbon, and the deepening of technological and digitalisation developments. The ensuing report is a research-validated overview of the challenges facing the economy as it is embedded in society, and the practical choices facing employers, employees and the enterprise sector. May I suggest that this document, which draws correctly on international evidence and case studies, is an invaluable resource, and a credit to those who researched, prepared and agreed it.

The vision outlined by NESC is as follows:

“Our vision for Ireland is to become a resilient, sustainable, thriving net zero economy, environment and society, using innovation and collective preparedness to shape the future we want to achieve. It is a vision for an Ireland where the State plays its part in ensuring mission-oriented actions to achieve a high quality jobs

economy, and productively addresses employment vulnerability as part of a just transition.”

The analysis and framework contained in this NESC report is open to differing and adaptable opportunities for implementation, accepting that there is no one readily available template, recipe or ‘off-the-shelf’ approach that is applicable for all circumstances.

Some 12 key recommendations for Government are offered, and it is proposed that these are taken forward by a Just Transition Review Group in a way that is “fair, participative and place-based both in process and in outcome”.

The report describes how innovation and regional development can be taken into account in a ‘just transition’ framework. This return to regionalism is so welcome and long overdue. Decades ago, the late Dr Michael Bannon and I attended as Irish observers to the British Regional Studies Association. With the exception of scholars such as Professor P.J. Drudy, meaningful regionalism has regrettably received scant attention in recent years.

The third section of the NESC report draws on international case studies, setting out potential exemplars of the ‘just transition’ policy approach. It would be a tragedy, I repeat, if the pressure of contemporary events resulted in this valuable contribution being overlooked, as the challenges identified by the report will endure beyond the current crisis. The Council has identified recommendations which will help Ireland address these, while also embracing the significant opportunities that will arise. Studying transition, in the particular manner that the Council has done, is thus relevant to the crisis, its aftermath and our recovery.

Its content is well-aligned, a real advantage, with the obligations to which we as a nation, along with other nations, have made a commitment through the United Nations Sustainable Development Goals.

My wife Sabina and I are strong advocates of that 2030 Agenda in the Sustainable Development Goals and believe it represents a shining light, a landmark agreement that was the culmination of an unprecedented process of public consultation and intergovernmental negotiations, the final stage of which Ireland had the honour to co-facilitate, together with Kenya.

The NESC research, European colleagues’ research and your conference discussions over the last days underscore the critical importance of approaching *any* major transition in an economy – structural or otherwise – as a *just* transition, committing to the principle of equality, of participation in society and economy, assuring that the vulnerable are protected, that inclusion and participation are front and centre-stage.

Major transformations require an enormous commitment to research and evidence, and that such evidence, which constitutes a real resource, should be from multiple, reliable sources. Research and early assessment of the social and employment impacts of climate policies is critical.

A further reason that attracted me to the analysis contained in the NESC report was that it offered a useful intellectual framework for the wider challenge we face as we attempt to forge a new path to an enlightened political economy, founded on ecology, social cohesion and equality. NESC recommends:

“a purposeful, participative and multi-faceted approach to governance; appropriate social protection for those at risk from transition impacts; supportive arrangements and sectoral measures, and inclusive place-based development and investment”.

I strongly support the Council’s call for the establishment of a meaningful social dialogue and deliberative process, which should be framed in the wider context of discussions with regard to how we embed the just economy and society, now so urgently needed, and indeed desired by the citizenry. Social dialogue and real, inclusive democratic consultation with all social partners should be a fundamental principle of any just-transition approach.

‘Just transition’ also requires sustainable investments in low-emission and job-intensive sectors and technologies. These investments must be undertaken through a process of due consultation with all those affected, respecting human and labour rights, as well as principles of decent work. Technological developments can be advanced from a humanistic perspective, as the late Irish scientist Mike Cooley, to whom I have referred, advocated so passionately throughout his career, be it at Lucas Aerospace or at the Greater London Council. Human-centred, socially useful production can become a lead focus of research and technology if we choose it to be.

Together with appropriate investment and labour market policies, we will require strong social protection policies to safeguard and protect the most vulnerable. Local economic diversification plans that support decent work and provide community stability during the transition are all part of the suite of actions that will be required.

Public Investment

‘Just transition’ will necessitate resolute action by all of government, setting out priority actions, the sequence of interventions and timeframes for implementation, as well as consideration of what resources are needed to meet this challenge of economic and societal transformation. Critically, a cognitive transformation is required so that public spending, particularly that aimed at filling infrastructural gaps, is viewed as an *investment* in both society and the economy, not as a cost or a burden as, regrettably, it has often been so myopically considered. It would be naïve to assume that there will not be those who will place what is familiar but clearly insufficient ahead of the necessary change we are discussing.

COVID-19 has resulted in huge suffering and tragedy around the globe, but it has occasioned a near-widespread agreement on the necessity of public spending, and of a fundamentally new, socially, economically and ecologically sustainable, future. For us in Ireland, the NESC report is surely an invaluable departure point for deliberative dialogue on how we can best do this with the most favourable outcome for all. It offers a solid framework for ongoing discussion, but also the necessary action that can garner public support from all concerned.

We have available to us in NESC #149 a methodology and a process that can speed our efforts, combining the fruits of consensus and meticulous research as a basis for policy advice. The challenges identified by the report endure beyond the current crisis, and I repeat my sincere hope that this valuable work, with its commitment to the principles of equality, participation and protection of the marginalised, is made central to our future thinking.

Embedding the Lessons from COVID

Successful crisis management is, as we have come to learn, no guarantee of durable reform. We therefore must embed the hard-earned wisdom from the COVID-19 crisis into strong scholarly work, policy and institutional frameworks—this is the great challenge from a political-economy perspective. What we teach as economics must be pluralistic, rich in intellectual engagement, methodologically adequate if it is to be the source of good, inclusive policy.

At the European Union level, the European Commission's Green Deal, the plan that aims to have the EU climate neutral by 2050, contains a Just Transition Mechanism, in which there is a budget set aside for retraining workers impacted by job losses. Coming from the EU budget and private sector investment, it promises to mobilise at least €150 billion by 2027 focusing on the regions, industries and workers who will face the greatest challenges. Additional funding for training and re-skilling is also available in the European Social Fund and the European Globalisation Adjustment Fund. All of which is welcome.

The Just Transition Fund defines cohesion policy as the appropriate framework for it to address structural changes in Europe's regions. However, the current political and economic context dominated by the COVID-19 crisis will undoubtedly have a negative financial impact on the European economy's outlook.

In the aftermath of the pandemic, European regions and their economies will be under stress, and their focus should be on empowering workers and regional communities through cohesion policy, rather than using these funds for other purposes. In this context, the additional €10 billion to be added to the multi-annual financial framework under the EU Recovery Fund ('Next Generation EU') for the Just Transition programme is a worthy first step, but will it be enough to cope with the economic impact of COVID-19 on Europe as well? Europe must step up to the challenge of 'just transition' across the regions through adequate resourcing if it is to retain any legitimacy across the citizenries of Europe. Now is the time to be bold. After all, the challenge now is to make new forms of European and global economy.

Just Recovery

We have seen, it has been empirically demonstrated, how the poor have suffered, and continue to suffer, disproportionately during the COVID-19 crisis, with the distributive effects more favourable to the already privileged and well-off. We now need a just recovery. We must not allow this regressive trend, which has manifested in such tragic personal and social consequences, to continue as we embark on the difficult journey to transform our societies and economies towards ecological sustainability. 'Just transition' allows us the opportunity to break the cycle of disadvantage by ensuring that those most vulnerable to economic turbulence are protected.

The deal that must follow the short-term rescue measures and guide the path out of the COVID-19 crisis and thereafter is the Green Deal injected with and emboldened by more courage.

As Maja Göpel wrote in *Social Europe* recently:

“People-centred and future-focused crisis management means investing in good education and skills development for all, including an update of what and how we teach and learn”.

There is no doubt that skills are the currency of the 21st century. Training and skills development will remain key to support the deployment of new technologies and foster industrial change. An upgraded Social Green Deal, with education, training and skills development at its core, and improved co-operation between member states, is an expression of the call for solidarity which the crisis has required.

After the narrowly national reactions in too many instances to the onslaught of COVID-19, it is important now to shape a European-wide identity cognisant of the interwoven tapestry of global connection on which our societies and economies depend, and through which our choices affect lives outside Europe.

May I conclude by thanking you for your conference and the invitation to take part in it. I have no doubt that, as was the case in your days so far, the presentations today will be most stimulating, and that your deliberations will be fruitful, yielding powerful insights that may be employed across all sectors – Government, enterprise, agriculture, communities and citizens – as we all seek to make this vital transition, one which will carry our best efforts of heart and head as we work together for a sustainable, just, shared future on our vulnerable Planet Earth.

Go raibh míle maith agaibh is beir beannacht.

Many thanks.