

A Welsh 'Just Transition' / Defence Diversification Agency?

**NFLA Welsh Forum Seminar
Swansea, 6 September 2019**

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Aberthaw Power Station set to close, risking 170 jobs

1 August 2019



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Climate change



The Aberthaw Power Station in the Vale of Glamorgan has been operating since 1971

Wales' last coal-fired power station looks set to close in March due to "market conditions", putting about 170 jobs at risk.

What we will talk about

Defence diversification.

The 'Just Transition' framework.

Nuclear Education Trust's recent study on defence diversification.

Taking forward defence diversification in the UK and Wales.

What Local Authorities can do.

NET Nuclear Education Trust

An independent charity which provides information about nuclear weapons and weapons of mass destruction.

Defence jobs

Long-term downward trend in employment in the UK's arms industry.

1980-81:	405,000 jobs
2000-01:	155,000 jobs
2016:	142,000 jobs

This decline is the result of:

Increasingly capital intensive nature of work carried out in the UK.

Automation.

Globalised supply chains.

Limited increases in defence spending

Highly competitive arms export market

Defence diversification

Concern among large trades unions, eg Unite and Prospect, over defence sector job losses and the potential impact of cancelling Trident's replacement.

August 2015: Jeremy Corbyn publishes a statement during the Labour leadership contest committing to a Defence Diversification Agency which would allow a transition away from nuclear weapons but preserve the jobs and skills of workers in the defence sector.

Defence diversification

Economic transition always results in upheaval, with impacts on jobs.

The defence manufacturing sector is already shrinking.

Options:

Leave the matter to market forces.

Government intervenes to provide funds and support to help businesses and workers find new markets, retool plants, and retrain.

Defence diversification

**Sometimes used interchangeably with arms conversion:
“entry into a different business field or the marketing of
alternative products”.**

**NET's view: broadening of business to non-military
business fields with the intention of reducing or stopping
arms production.**

**Broader concept of ‘Economic conversion’
“how to adjust the structure of production in the
economy – that is, the commodity mix of total output – to
shifts in the structure of total demand, public and
private.”**

**Other vulnerable jobs such as those in fossil fuel sector,
construction, or automotive sector.**

'Just Transition'

Framework developed by the trade union movement to encompass interventions needed to secure workers' rights and livelihoods when economies are shifting to sustainable production to fight climate change.

**TUC: 'A Just Transition to a Greener, Fairer Economy'
– July 2019.**

NET research into defence diversification

2012: 'The Trident Alternatives Review and the Future of Barrow.'

2018: 'Defence Diversification: International learning for Trident jobs.'

Case studies from UK, US, Italy, Germany, Estonia, South Africa.

Main lessons

A broad partnership involving all stakeholders is necessary for success, with workers and their communities taking the lead.

Action must be taken at early stages to proactively assist communities in diversification, rather than react to a crisis (three to five years as a minimum).

Bottom line:

Defence diversification is not a manifesto to save every job but a tool to mitigate the impacts of change and provide opportunities.

Wales and the defence sector

**£960m value to Welsh industry in 2018 supporting
6,300 private sector jobs.**

**160 companies employ 20,000 people in the broader
defence / aerospace sector sector.**

Wales and the defence sector

Airbus: Wings for civil airliners (Broughton); military communication and information systems (Newport).

Raytheon: Maintenance of Sentinel surveillance aircraft at Broughton.

Defence Electronics and Components Agency (DECA): Global repair hub for F-35 avionics at Sealand.

Babcock: Maintenance of training aircraft at RAF Valley, Anglesey.

General Dynamics: Assembly of AJAX armoured vehicles (Pentrebach); Bowman communications system (Oakdale).

Wales and diversification

Welsh Government's Economic Action Plan: Economic diversification to exploit new opportunities and protect jobs.

Mainly concentrated on diversification for the high value manufacturing sector (eg automotive, rail, and aerospace).

Example: encourage motor manufacturers to take up rail sector opportunities such as Crossrail, London Underground, South Wales rail upgrade.

Relatively few jobs in Wales are entirely dependent on defence so no specific work on defence diversification.

Tying in climate concerns

Welsh Government - March 2019

'Prosperity for all: A Low Carbon Wales':

“...ensuring a fair and just transition and maximising well-being opportunities for all”.

The report emphasises connecting issues of social justice and inequality within the impending low-carbon transition in Wales.

Measures to cut carbon emissions are strongly linked to actions on social justice, poverty alleviation, health and wellbeing.

Defence Diversification Agency or ... ?

Stand-alone Welsh Defence Diversification Agency would be unlikely to be a priority, but Welsh Government could play a decentralised role taking the lead for Wales in a UK-wide Defence Diversification Agency.

- Or would a broader Economic Diversification Agency which had defence diversification and climate change as headline objectives be a more appropriate agency?

Steps local authorities can take

Address 'Just Transition' issues in carbon reduction strategies.

Know your local economy: audit jobs and skills and identify vulnerabilities.

Build relationships with employers, unions, and Welsh Government.

Raise awareness on the huge urgency of fighting climate change with the public.

Thank you for your attention.

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