

Written evidence submitted by Campaign for Nuclear Disarmament

Defence industrial policy: procurement and prosperity

Introduction

1. The Campaign for Nuclear Disarmament (CND) campaigns for an end to Britain's nuclear weapons system, Trident. Should Trident be scrapped, there will be highly-trained workers with valuable skills available to work on more socially productive purposes. But outside of this specific nuclear disarmament example, diversification more generally should be a part of the UK's defence industrial policy. The country's defence and security needs are continually evolving, and a successful defence industrial policy would include the capability to re-train workers when needed, in consultation with the workforce and the local communities. This would enable the government to respond effectively to evolving security needs and minimise job losses when projects come to an end.
2. Over the past decades there has been a large decline in the numbers employed in the UK arms industry, a factor the 2017 Defence Industrial Policy failed to acknowledge. This is an opportunity to address the topic and find ways of retaining the skills of this workforce.
3. This submission will focus on the need to include diversification as part of the Ministry of Defence's planning, and the benefits this would entail. It will also highlight how defence diversification will support the scrapping of Trident and its planned replacement.

Covid-19

4. The government's 2015 National Security Strategy and Strategic Defence and Security Review had sensibly identified 'a major human health crisis' as a tier one threat to our security.¹ And the UK's Biological Security Strategy published in 2018, declared that 'significant outbreaks of disease are amongst the highest impact risks faced by the UK'.² But insufficient preparation was made to ensure that the UK had enough equipment to cope with a pandemic such as the current strain of coronavirus, Covid-19. In particular, there were shortages of ventilators and personal protective equipment (PPE) for medical and care staff.
5. To address this need, a consortium of UK industrial, technology and engineering businesses has come together to produce medical ventilators. The Ventilator Challenge UK consortium has received regulatory approval for production and plans to "rapidly scale up production to achieve our target of at least 1,500 units a week".³ Several arms companies are members of the consortium, including Babcock. Defence firm Babcock has won a contract to manufacture 10,000 ventilators. In a statement Babcock said it had "responded quickly to the UK Prime Minister's UK Ventilator Challenge" and that the manufacturing of 10,000 Zephyr Plus ventilators would begin subject to regulatory approval.⁴ It is expected that staff who routinely work on defence contracts have been redeployed to work on the ventilator project. Babcock is also refurbishing parts of the Trident submarine at Devonport Dock, and is part of an alliance which manages The Royal Naval Armament Depot (RNAD) at Coulport and Faslane.
6. This development shows that it is possible to redeploy workers to more socially useful parts of the economy. When CND has previously called for Trident to be scrapped, this has been challenged on the grounds of the job losses this would entail. However, when necessary, a defence company such as Babcock, and its workforce, was able to diversify and produce

¹ 'National Security Strategy and Strategic Defence and Security Review 2015', 23 November 2015,

<https://www.gov.uk/government/publications/national-security-strategy-and-strategic-defence-and-security-review-2015>

² 'UK biological security strategy', 30 July 2018, <https://www.gov.uk/government/publications/biological-security-strategy>

³ Ventilator Challenge UK statement, 16 April 2020, <https://www.ventilatorchallengeuk.com/>

⁴ Babcock statement, 6 April 2020, <https://www.babcockinternational.com/news/update-on-coronavirus-covid-19-2/>

something different. There is no reason why this cannot be replicated on a wider scale, especially when the diversification is pre-planned and factored into the Ministry of Defence's planning.

Conversion of skills as a policy

7. Defence planning should, first and foremost, be about security. Point 4 above has already referenced that a health crisis is listed as one of the main threats facing the UK today. The other Tier 1 threats listed include cyber-attacks and natural hazards. Climate change and its repercussions also pose a serious threat to international stability. Ensuring our security is no longer focused on military scenarios, but rather on increasingly complex and ever-changing factors, and the government should plan accordingly. One way is to ensure that the skills of its workforce are adaptable, and the facilities for converting these skills should be in place before emergencies take place; another is to encourage manufacturing systems to be flexible, allowing them to respond to market changes.
8. A Defence Diversification Agency (DDA) should be established, with the responsibility and the capabilities to re-train workers, and advise on Flexible Manufacturing Systems (FMS), when needed. The government will then be better-placed to deal with a change in policy or an emergency. This also provides security for the workers, who will be confident that their skills can be used on other projects if needed. A DDA would be able to help and advise companies on possible ways of ensuring that their manufacturing systems enable them to react to foreseen or unforeseen circumstances. It would also identify what facilities would be needed to be able to re-train workers, both short-term and long-term, and then set these up when and as required. It would set up educational and information-sharing networks from which knowledge and experience can be drawn. One benefit of a DDA is it could pre-emptively plan for diversification, in anticipation of a change in circumstances, whatever the reason. Regional and local governments could play a full part in establishing such networks, in addition to facilitating community participation in the overall planning processes.
9. A DDA should be established jointly between government, industry and workers. It is essential that defence workers themselves, and their representatives and trade unions, are key to the agency, and are able to identify their needs and capacity and can initiate ideas for arms conversion. Political support from government, at local, regional and national level is important.
10. Adequate funding of a DDA would be essential to ensuring its success. As well as the funding required for its essential work, it should have the ability to financially support the development of local diversification plans in areas dependent on the defence industry, in consultation with local unions and businesses.
11. Any diversification initiatives should build on existing networks and relationships, especially at local level.
12. The management of big corporations can become too embedded in defence work; it becomes a major part of their culture so they do not feel comfortable working in different environments. A DDA could support large companies to become familiar with other markets and cultures so they do not become too dependent on defence.

Learning from international examples

13. Various forms of defence diversification have been successfully demonstrated in international case studies, as outlined in a report by the Nuclear Education Trust entitled 'Defence Diversification: International learning for Trident jobs'.⁵

⁵ 'Defence Diversification: International learning for Trident jobs', Published June 2018, <http://www.nucleareducationtrust.org/sites/default/files/NET%20Defence%20Diversification%20Report.pdf>

14. The Lucas Plan is a well-known, ground-breaking and worker-led proposal to protect jobs threatened by redundancy at Lucas Aerospace in 1976. The workers drew up a plan which proposed to save jobs by converting workers' skills and facilities to new products, such as wind turbines. While the company did not end up implementing the plan and we'll never know if the Lucas Plan would have been successful if it had, it continues to inspire workers on the issue of diversification of skills. The New Lucas Plan network has now been launched.⁶ Members include trade unionists, former members of the Lucas Aerospace Combine Shops Stewards Committee, radical scientists, environmentalists and peace organisations among others. Their stated aim is 'to create a new economy that serves genuine social and individual needs, including the need for livelihoods, and respects environmental limits.' The group calls on the government to invest resources and political will in defence diversification.
15. The United States has launched a number of government-funded defence diversification projects and is currently supporting over 40 communities to convert the skills of their workforce. The process begins with bringing together stakeholders (which includes civil society groups and academics) who assess what services are available to support diversification and what extra ones may be needed. A defence diversification action plan is then prepared, with implementation monitored and evaluated. One of the valuable lessons learnt from the American experience is that existing networks should be used in the process rather than setting up new facilities in the communities. A DDA could coordinate existing resources.
16. In the 1980s and 1990s Italian arms manufacturers set out to diversify, supported by government and European funding. Workers and unions at the aerospace company Aermacchi, proposed a diversification strategy, resulting in the company working on a civilian aircraft. Another company - BPD Difesa e Spazio - which produced parts for rocket engines, converted their plant to make air-bags for cars, which was a huge success. This shows the importance of identifying a feasible new project and the potential market for it, as well as the importance of funding.
17. In 1992, the city of Bremen was Germany's most military-dependent state and the third most dependent in the European Community. Anticipating post-Cold War defence cuts, a Bremen Disarmament and Conversion report was launched, starting with hearings involving representatives of workers and industry. A government defence conversion official was appointed to coordinate the process, which resulted in an official defence conversion programme. Companies would receive support if they prepared a conversion plan. 50 companies were supported through the plan. Similar to the Italian experience, it showed that state funding encouraged companies to prepare for diversification.
18. South Africa is an example of a country that has got rid of its nuclear weapons and attempted to diversify the workforce and facilities used. The company Armscor was responsible for the work at the Atomic Energy Corporation (AEC) bases in Pelindaba and Advena. These bases were dismantled from 1989 and facilities formerly used to make nuclear weapons were converted to civilian use, using their chemical expertise.
19. There are many lessons to be learned from these international examples, most of which achieved successes and faced challenges. But they show that governments across the world are thinking about defence diversification and the best way to approach the conversion of skills of those working in the industry.

Trident

20. The government has recently started work on building new submarines for Britain's nuclear weapons programme, the first step in replacing the current one, commonly referred to as Trident. The four new submarines could cost up to £41 billion, with a total cost of a new

⁶ See website for more information: <https://lucasplan.org.uk/>

programme at least £205 billion.⁷ Trident takes up a significant portion of the defence procurement budget.

21. Scrapping Trident and its replacement does not have to mean the loss of high skill employment. If there is the political will to fully engage with defence diversification, far more high skilled jobs can be created in the engineering sector for example. The skills of the workers would be welcome in building conventional ships or in rapidly developing industries such as renewable energy. A government-led economic diversification plan would minimise the job losses in the event of Britain deciding to scrap its nuclear weapons.

Submitted by the Campaign for Nuclear Disarmament, April 2020

⁷ '£205 billion: the cost of Trident', figures from CND website: <https://cnduk.org/resources/205-billion-cost-trident/>