



Just Transition to a Low Carbon Economy in Scotland

Friends of the Earth Scotland Supporter Briefing

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The urgent need to stop greenhouse gas emissions, the opportunities of new 'green' jobs, declining employment in oil and gas and the desire to promote social justice require a Just Transition from fossil fuel dependence, moving to a modern low-carbon economy in ways which protect workers' livelihoods, create a new industrial base and deliver a fairer Scotland. This approach is essential in order to create popular support for the transition and so ensure that it actually happens.

What does this mean in Scotland? Who will be affected by the transition?

Lots of jobs will be created, some will be lost, many will change. Industrial transitions change the type, location and quality of jobs as was seen with the coal industry. However the overall impact of this transition on jobs and income does not have to be negative – it is likely that it can create more jobs than are lost. This has been mapped out in the report *Jobs in Scotland's New Economy*, which shows that more than 200,000 jobs could be created in a new, low carbon economy.¹

Employment in the oil and gas industry has already fallen substantially because of the low oil price and the exhaustion of the easiest and cheapest to extract reserves. This trend will continue and its impact will be strongest in the North East and Shetland but the pre-eminence of this sector in Scotland's productive economy means that the consequences will ripple outwards to the rest of the country. Scotland needs to create new green industry to replace these vital productive jobs and enable the skills of oil and gas workers to be redeployed or updated for new technologies.

However the transition will be much more far-reaching than its impact on oil and gas, and greater than the shift to renewable energy. All sectors of the economy will be affected, some radically, including transport, construction and manufacturing.

Making these changes can employ a lot of people, and they should also make possible cheaper energy costs; opportunities for reducing the working week; increasing workers skills sets through training in low carbon industries; bringing work to areas of high unemployment; recognising and rewarding work in the informal economy; and helping people into the labour market. But these outcomes depend on how the transition is done. If left to market forces, social and environmental justice will be add-ons at best; at worst the social dislocation and high unemployment experienced as a result of de-industrialisation and pit closures may be repeated. A just transition will only happen if the people affected are involved in making it.

¹ https://greens.scot/sites/default/files/Policy/Jobs_in_Scotland_New_Economy.pdf

How much progress is being made?

The Scottish Government has set demanding climate targets but progress against these has been achieved mostly through de-industrialisation and the growth of onshore wind generation, under policies which failed to create new manufacturing jobs in Scotland. Apart from that, plans for significant changes in the rest of the economy are not ambitious enough and progress has been slow. Responses to job losses in the North Sea have largely been defensive, although the Scottish Government has created a fund to help oil and gas workers apply their skills to other parts of energy industry and a Low Carbon infrastructure Transition Programme part-funded by the EU. Now there is a need for much more concerted efforts to transform the rest of the economy and to create new jobs to offset the loss of skilled, well paid employment in the oil and gas industry.

What needs to be done?

Elimination of greenhouse gases will be achieved by both radically reducing energy use and switching to renewable sources of energy. Other changes needed include:

- A massive energy efficiency programme for houses and workplaces to cut energy use
- Heating from renewable sources (e.g. heat pumps) distributed by district heating networks
- Renewable generation of electricity – solar, wind, tidal, wave, geothermal
- Cutting the footprints of consumption through creating a circular economy
- Forestry, land use and agriculture which absorb carbon not emit it
- A transport system run on renewable sources of power for transport – more public transport, cycling and walking; and a shift to electric or hydrogen-powered vehicles
- Creation of substantial energy storage capacity

To ensure social and economic justice the following principles must be followed:

- jobs lost will be replaced
- places affected will be protected
- workers' livelihoods will be maintained
- training and re-training will be funded
- workers and communities affected will be involved
- measures to tackle disadvantage in the labour market will be included

What are we calling for?

Such a Just Transition requires a different approach to industrial policy, which in the past has left key investment decisions to private companies and encouraged ownership by distant multinationals. Instead government should take a directive role in ensuring flows of public and private money create new industrial sectors and transform existing ones so that the massive programmes of investment take place rapidly. Stronger regulation of markets and public or social ownership of resources will be needed, often driven by local authorities.

FoES has established a partnership to work with the Scottish Trade Union Congress on Industrial Policy for Just Transition. We will press for ambitious plans in the Climate Change Plan, the new Scottish Energy Strategy, and forthcoming Climate Bill.

Locally, groups can campaign for long-term planning for district heating, comprehensive approaches to energy efficiency in buildings, electrification of taxis and buses and more charging points, solar and other local community generation, active travel investment and policies and local food initiatives.

For more info: www.foe-scotland.org.uk/JustTransition

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