



Scottish Government Debate: A Low Carbon Economy

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Introduction

Friends of the Earth Scotland welcomes the opportunity to brief ahead of the Scottish Government's debate on a low carbon economy. While we believe much good work is being done, particularly in the field of renewable energy, we believe much more needs to be done, particularly in those areas where there is significant scope for 'job rich interventions'. Many of these interventions, from energy efficiency to public transport, have been advocated by economists such as Joseph Stiglitz and Lord Stern and are outlined below.

1. Alternative Measures to GDP

While we agree much of the Scottish Government's vision of a low carbon economy, we believe it is too focused on economic health as measured by GDP, rather than on a wider vision of well-being for Scotland's people. The low carbon economy must be job rich, health giving and equitable. In all of these respects, the best outcomes are not measured by GDP. The Scottish Government is currently updating the National Performance Framework. Friends of the Earth Scotland, Oxfam and WWF Scotland, supported by a range of civil society organisations, are calling for this update to include alternative and 'better' social and environmental measures of progress.ⁱ

2. The Renewables Revolution

The Scottish Government's target of generating 100% of our annual electricity demand from renewables by 2020 is exactly the type of figure we should be aiming for. Last year we commissioned the world's leading renewable energy consultants, Garrad Hassan, to look at Scotland's renewables potential. The resulting 'Power of Scotland Secured' report concludes that renewables could comfortably provide 100% of Scotland's annual electricity demand by 2020, increasing up to 185% by 2030.ⁱⁱ

Yet generating more renewable energy will do nothing for the climate unless we simultaneously phase out our use of fossil fuels. As events in Fukushima have shown, phasing out Scotland's nuclear power stations is essential too. To truly claim the title of the 'Green Power House' of Europe, Scotland must ensure that its energy contribution to the UK, and the future European grid, is 100% renewable.

The above-mentioned 'Power of Scotland Secured' report shows that by 2030 Scotland could phase out all conventional thermal power (from coal, gas and nuclear) and not only keep the lights on, but become a major exporter of electricity. We know this is good for jobs, with several studies having shown that energy efficiency and renewables generate more jobs per Kilowatt hour (Kwh) than fossil fuel and nuclear industries.ⁱⁱⁱ

3. Energy Efficiency

Improving the energy efficiency of Scotland's homes is one of the most cost-effective ways to reduce carbon emissions, tackle fuel poverty, improve public health, create jobs and boost the economy. To give an example, it is suggested that the proposed new coal plant at Hunterston might employ up to 160 people in the long-term. This means that, including construction jobs, it might create 25 jobs per Terawatt hour (TWh) of electricity generated. Energy conservation is estimated to generate 370 jobs per TWh, including indirect effects^{iv}. Implementing the Scottish Energy Efficiency Action Plan has been estimated to generate over 10,000 direct jobs for ten years^v. A universal and free home insulation scheme, as advocated by the Existing Homes Alliance, needs to be considered as a priority for Government spending.

4. Public Transport and Active Travel

Opportunities in public transport are typically much more job rich than in road and aviation development. For example, a £140 million bus scrappage scheme could safeguard up to 4,500 jobs within the bus industry, at plants such as Alexander Dennis's Bus Body Group in Falkirk. As well as reduced greenhouse gas emissions, modern buses have significantly lower particulate pollution. Particulate pollution is estimated to contribute to some 2,000 unnecessary deaths each year in Scotland.

Increasing the share of journeys undertaken by walking, cycling and public transport to 50% (the same as in the Netherlands) could cut obesity rates in Scotland by half, with massive savings to the National Health Service, which already spends around £170 million a year in Scotland tackling health problems, such as heart disease and diabetes, caused as a direct result of obesity. Improving cycling rates alone to Dutch levels could save up to 1,600 lives a year as a result of the net health benefits of greater physical activity^{vi}.

5. Finance

Tax levers should be used to encourage socially and environmentally responsible behaviour. We urge the Scottish Government to engage much more vigorously with the UK administration to seek key policy shifts that could redirect existing finance flows from unsustainable to sustainable options. In particular, the UK Treasury should be pressed to undertake a substantial green tax shift (albeit with necessary compensatory protections for the poorest and most vulnerable groups) in line with the recommendations of the Green Fiscal Commission.^{vii} Secondly the Treasury should be pushed to ensure the bailed out banks, including the Royal Bank of Scotland, focus their lending towards low carbon investment and away from polluting and destructive projects, such as the Alberta tar sands.^{viii}

The Scottish Government should also put more effort into developing solutions at Scottish and local scales, examining, for example, the scope for low-carbon bonds and, in particular, the mechanisms whereby local authorities might be able to, in effect, securitise the income flows generated by feed-in tariffs to fund area-based energy efficiency improvements.^{ix}

6. Procurement

Scotland's public sector spends over £9 billion a year on public procurement. We need to ensure that this spending is delivered in an environmentally friendly manner, stimulating new markets for buildings, appliances, vehicles and food (amongst other things). Evaluation of successful projects, such as East Ayrshire Schools programme, have found such projects generate substantial benefits to the local economy as well as significant social and environmental benefits.^x

7. Offshore Oil

The Scottish Government rhetoric and foresight about developing a low carbon economy is to be commended. At the same time however, this foresight is undermined by the view that high-carbon activity, such as deepwater oil extraction, should continue to be exploited. The recent Gannet Alpha oil spill makes clear, once again, the inherent dangers of ever more difficult oil extraction and we would urge the Scottish Government and parliamentarians to reconsider a moratorium on deepwater drilling.

Conclusion

We wish the Scottish Government well in its efforts to promote a low carbon economy, and note the progress made in certain areas. However, we believe a more holistic view, of looking at the economic, social and environmental impacts of all Governmental and public policies, is required to deliver a genuine low carbon economy. At a time of budget constraints, action on climate change that creates jobs and delivers multiple benefits must be a priority for spending and support.

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i <http://www.foe-scotland.org.uk/npfbriefing>

ii Power of Scotland Secured: <http://www.foe-scotland.org.uk/power-secured>

iii Daniel Kammen, Kamal Kapadia, and Matthias Fripp, April 2004 (updated January 2006), "Putting Renewables to Work: How Many Jobs Can the Clean Energy Industry Create?" UC Berkeley: Renewable and Appropriate Energy Laboratory (RAEL), 12; see also José Goldemberg, The Case for Renewable Energies, Thematic Background Paper: International Conference for Renewable Energies, Bonn 2004

iv Wuppertal Institute, Germany. http://www.kas.de/wf/doc/kas_13931-544-1-30.pdf

v Association for the Conservation of Energy (2009), Warm Homes, Green Jobs. <http://www.ukace.org/publications/ACE%20Research%20%282009-10%29%20-%20Warm%20Homes,%20Green%20Jobs%20%5Bbriefing%5D.pdf>

vi Transform Scotland Trust, Towards a Healthier Economy, <http://www.transformscotland.org.uk/GetFile.aspx?ItemId=108>

vii <http://www.greenfiscalcommission.org.uk/>

viii For more information see: <http://www.foe-scotland.org.uk/cleanupRBS>

ix This has been done successful in Birmingham: <http://www.birminghamenergysavers.org.uk/>

x Some studies have suggested that for every £1 spent, £6 is created in social, economic and environmental outcomes. See for example:

<http://www.docstoc.com/docs/54413182/Roberta-Sonnino-C-Creative-Public-Procurement-Lessons-from-Italy--green-food>