

# Green New Deal Debate

April 2019 Parliamentary briefing



*Friends of the Earth Scotland is Scotland's leading environmental campaigning organisation.*

*We are an independent Scottish charity with a network of thousands of supporters and active local groups across Scotland, as well as part of the largest grassroots environmental network in the world, uniting over 2 million supporters, 73 national member groups, and some 5,000 local activist groups. FoES is a member of the Just Transition Partnership. More information can be found at [www.foe.scot](http://www.foe.scot).*

## Key points

- The Climate Emergency requires bold, systemic changes, including shifting our economies away from fossil fuels
- Green New Deal describes transforming the economy in a way which rapidly reduces carbon emissions, delivering large scale investment in green infrastructure, and providing broad public benefits.
- These elements are also key to Just Transition, a concept that has gained wide support in this Parliament, but Just Transition also requires that the transition must be planned and managed in a way that ensures workers and communities currently dependent on high carbon industries are not left behind.
- To successfully transition to a green economy, principles of a Just Transition must be embedded across Government portfolios and economic priorities, and in the Climate Change Bill, the Scottish National Investment Bank and the publicly owned energy company

## Climate Emergency and the need for Economic Transformation

Last year's IPCC '[Special report on global warming into 1.5°C](#)' painted a stark picture of the catastrophic impacts of breaching the Paris Agreement's target of limiting global temperature increases to 1.5°C. The report emphasised that the next decade is crucial in tackling the climate crisis, with research from the [Tyndall Centre](#) further warning that on current trajectories Scotland could use up its share of global emissions in less than 10 years.

It is clear that in order to respond to the crisis in the timescales that science and justice require, bold, systemic changes are needed. Crucially, we must shift our economies away from dependency on fossil fuels. However, in order to ensure strong public support for deep emissions reductions, actions to decarbonise the economy must deliver broad public benefits and protect the workers and communities who could stand to lose.

## Just Transition and Green New Deal

As the climate emergency gets ever more urgent, and the public clamour for bold action grows, the idea of a Green New Deal, first advanced some decade ago is gaining new and energetic traction, across the world, particularly in the US and here in the UK.

Green New Deal (GND) describes transforming the economy in order to respond to the climate crisis. Key elements include radical carbon emissions reductions in the next decade; large scale investment in green infrastructure; regulating the markets; and a focus on the public good, with the creation of millions of decent jobs and collective or public ownership of infrastructure. The

GND agenda therefore has much in common with the Just Transition agenda.

The Just Transition narrative however brings a crucial focus on the need to ensure that in making the move to a zero carbon economy (e.g. by way of a GND) the transition must be planned and managed in a way that ensures workers and communities currently dependent on high carbon industries are not left behind.

Just Transition demands that lessons are learned from previous industrial transitions in order to avoid the long lasting and disastrous social impacts of, for example, the closure of the coal mines and the decline of the steel industry. It recognises that the current approach isn't delivering emissions reductions at the pace required, nor much-needed, decent jobs in renewables. It requires that impacted workers and communities, trade unions and environmentalists are involved in developing plans at national and regional level to decarbonise the economy. A Just Transition means moving to a modern low-carbon economy in a way which protects communities and workers' livelihoods, unlocks new opportunities, and delivers a fairer Scotland.

## Just Transition to a green economy for Scotland

In order to achieve the transition to a green economy, and ensure that climate targets are met, the principles of a Just Transition must be embedded across Government portfolios and the economy. This means using emissions reduction targets as the foundation of an industrial plan, embedding climate change and Just Transition objectives in economic strategy – a strategy that

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must be refocused on delivering positive change for people and our planet.

Achieving the scale of transition required to do our fair share to tackle climate change cannot be left to a business as usual market-led approach. Instead, the Just Transition will require both long term industrial planning and significant investment from Government. Any new economic approach, such as a Green New Deal, must acknowledge the need for radically different fiscal approaches, large scale investment and public ownership options.

The Scottish Government's decision to establish a Just Transition Commission, a National Investment Bank and a publicly owned energy company are welcome steps in the right direction, however currently lack the bold, transformative vision and cross portfolio focus required to deliver on our carbon reduction commitments.

## Just Transition Commission & Climate Change Bill

The Just Transition Commission has been given a two year remit to come up with recommendations as to how to apply Just Transition principles in Scotland, to support action to maximise economic and social opportunities, as well as understand and mitigate risks, from the transition to a carbon-neutral economy. This is an important initial remit: however, the Commission must be put on a statutory basis, by way of the Climate Change Bill and given a long term remit that includes advising Ministers on measures to support the Just Transition for as long as emissions reductions are being made.

Further, the Climate Change Bill should include a commitment that a Just Transition approach will be central to achieving climate targets and introduce reporting requirements on Just Transition annually and in the Climate Change Plan. For example, the Government could report on how proposals and policies will affect employment in different sectors, what measures will be put in place to support the transition of the workforce and related communities, the scale and sources of investment.

## Scottish National Investment Bank

To instigate the zero carbon transition the Scottish Government must provide funding and finance both to public bodies and the private sector.

A Scottish National Investment Bank has the potential to help address the inadequate levels of investment available to the zero carbon transition, by providing long-term, large scale finance to unlock opportunities in areas which are not currently well financed, and not financing initiatives which undermine this mission. Financing the low

carbon economy has been highlighted by the Government as a key purpose for the Bank.

However, as currently drafted, legislation to establish the SNIB fails to enshrine this in law, with such missions left to be set and – therefore potentially unset – by Ministers. Therefore, the Bill must be amended to include Just Transition as an objective of the Bank. Further, in its present form the SNIB will not be equipped to fund public bodies, therefore the Scottish Government needs to additionally provide a major budgetary increase in infrastructure funding and to repurpose the infrastructure budget so that the overwhelming majority is spent on zero-carbon infrastructure, instead of high carbon e.g. new road building (etc.).

## Publicly Owned Energy Company

Despite the huge jobs potential in low-carbon industries, the STUC [recently reported](#) a decline in Low Carbon and Renewable Energy jobs- from 50,500 in 2016 to 46,400 in latest numbers. The current marketised, privately-owned energy system isn't delivering change at the pace needed for a Just Transition to a low-carbon economy. Ten years after the first Climate Change Act and despite ambitious renewables targets, promised jobs, particularly in manufacturing and supply chain have failed to materialise with contracts and profits lost overseas. Nor is the current energy system adequately tackling fuel poverty and high energy prices. The proposed publicly owned energy company is a crucial opportunity to address this.

Given Scotland's huge potential for renewable energy, particularly in wind and tidal power, and the tight margins in energy supply, it's vital that the publicly owned energy company invests in energy production to have the best chance of delivering public policy objectives.

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