

JUST TRANSITION COMMISSION

CALL FOR EVIDENCE

30th June 2020

Full name or organisation’s name:

Friends of the Earth Scotland

Does your response relate to a specific sector?

No

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1. What do you see as the main economic opportunities and challenges associated with meeting Scotland's climate change targets?

COVID-19

The impacts of the COVID19 pandemic represent a major challenge to all Government objectives, and measures to stop the spread of the virus risk the deepest global recession since the 1930s. These two crises are intimately connected, with new viruses on the increase partly due to the harm human activity is causing to the ecosystems we are part of and depend upon. COVID-19 is a powerful signal that our response to the climate emergency must be one that doesn't just reduce emissions but protects and restores nature at the same time – putting human activity back into balance with nature – at the same time as creating decent green jobs and addressing inequality, building greater resiliency for the future.

Therefore, our approach to the economic recovery from COVID-19 must be one that puts action to tackle the climate emergency and the biodiversity crisis at its heart, as well as tackling the inequalities laid so bare by the unequal impacts of the virus, as the surest way to build an economy on a secure and sustainable footing. Efforts to recover from the measures to suppress COVID-19 must be consistent with a Just and Green Recovery¹ and Just Transition principles. They must promote growth in green industries, creating quality opportunities for those who have lost their livelihoods during the pandemic and who will be impacted in the move to a fossil free economy.

Job creation in the clean economy

The economic opportunities of meeting Scotland's climate change targets are extensive but must not be treated as inevitable consequences of emissions reductions policies. While first-mover countries such as Denmark have reaped the benefits of green energy industry, promised economic benefits in Scotland have failed to materialise². Nevertheless, there remains significant opportunities as the supply of renewable energy increases, energy efficiency measures are expanded and other sectors including transport and agriculture decarbonise.

A report co-authored by FoES, Platform and Oil Change International shows that a well-managed energy transformation based on Just Transition principles can meet climate commitments with job creation in clean energy industries exceeding affected oil and gas jobs more than threefold³.

Further, recent analysis from Transition Economics commissioned by the STUC has shown that in an Economic Recovery response, a two-year emergency £13 billion infrastructure stimulus in

¹ Just and Green Recovery Letter to the First Minister, signed by 82 civil society organisations. <https://foe.scot/resource/just-green-recovery-letter-first-minister/>

² STUC Report, [Broken Promises and Offshored Jobs](#)

³ Friends of the Earth Scotland, Platform and Oil Change International, [Sea Change: Climate Emergency, Jobs and Managing the Phase-Out of UK Oil and Gas Extraction](#)

clean projects could create almost 150,000 jobs across the economy⁴. This is an enormous opportunity to ensure our recovery response creates decent work across the economy, from home energy retrofits and active travel infrastructure to electric buses and supply chains.

Circular economy

Scotland currently consumes resources as if we had three planets worth of resources and waste absorption available to us. Moving to a circular economy is key to tackling the climate emergency, as well as addressing growing environmental problems such as plastics pollution. Scotland's material consumption accounts for 68% to 74% of our entire carbon footprint, and it's estimated that a circular economy would save Scotland 11 million tonnes of carbon dioxide emissions by 2050 – a quarter of our current total. In order to successfully move towards a circular economy, major changes to the way we make products and consume resources will need to be made, bringing opportunities and innovation to existing businesses, new start-up companies and the wider economy.

Community and worker participation

In the process of transformation, there is an opportunity to deepen the active participation of workers and communities in the economy through an enabling of local community and regionally owned enterprise as well as the expansion of trade union recognition for example. Economic benefits can be spread across the breadth of Scotland, alleviating structural economic challenges faced by rural communities or those living in areas with higher levels of deprivation through targeted projects and investment.

Scale and pace of investment

The scale and pace of investment required to transition to environmentally and socially sustainable jobs, sectors and economies is enormous. One recent think-tank estimate has put the sum at £170bn over 25 years⁵, however we are not aware that there has been any mapping or estimation by the Government of the large-scale investments needed in public infrastructure and in private sector capacity. A 'pipeline' of green investment-ready projects must be developed, either by the public sector or by the private sectors under the direction of public policy and regulation. In parallel it will be necessary to ensure that finance is available and is on appropriate terms. To do so, the Government will need to develop innovative financial measures e.g. investment banks, use of pension funds and green bonds. Public agencies such as Scottish Enterprise, HIE, the Scottish National Investment Bank (SNIB) and government investment programmes should drive this and private investors must be primed and aligned. The SNIB and the Green Investment Portfolio are welcome measures, however the scale of these (£2 billion and £3 billion respectively) is very small compared to the estimated need, especially since some of the SNIB's investments will go into other purposes/missions. These measures have been

⁴ STUC Report, [Analysis of Infrastructure Investment options for Economic Recovery](#)

⁵ Common Weal, [Our Common Home Plan](#)

based on what is regarded as feasible, rather than on an assessment of the scale and urgency of the need.

Skills

There is a real danger that a Just Transition will be jeopardised by shortfalls in availability of workers with the right skills. Projection of demand for skills and labour must be an essential part of planning and should also be used to ensure that a Just Transition is complemented by provision of the training and education needed to supply the labour force. Wide-scale planning is especially relevant where time will be needed for workers to gain appropriate qualifications.

Over-reliance on CCS & Hydrogen

There is a real risk of over-reliance on geo-engineering techno-fixes to the climate crisis such as the combination of gas-derived hydrogen and Carbon Capture and Storage (CCS), as a means to continue the extraction and use of fossil fuels. Despite billions in support over the last decade, CCS remains largely unproven and untested at scale, and neither CCS nor hydrogen are expected to deliver emission reductions this decade. The IPCC states that faster emissions reductions that stick to 1.5C° pathways can largely be achieved without relying on CCS by implementing measures that “result in less CO2 being produced and emitted”.⁶ CCS is fundamentally not necessary in the power sector where more cost effective, proven and cleaner options to cut CO2 emissions exist; such as initiating a swift and just decarbonisation of the economy that focuses investment into wide scale renewable energy. Pinning hopes on CCS risks diverting limited resources away from proven actions we know can help achieve our crucial 2030 target, create jobs and improve wellbeing.

2. What do you think are the wider social (health, community, etc.) opportunities and challenges associated with meeting Scotland’s climate change targets? Please explain your view.

Policies on climate change in the UK have been economically regressive with cost burdens falling disproportionately on the poor⁷. To ensure we do not continue this trend, targets for social and environmental benefits expected from decarbonisation and energy efficiency investments should be incorporated into the Climate Change Plan.

The impacts of the COVID-19 crisis highlight the importance of reducing emissions in ways that bring wider co-benefits, particularly in relation to health, well-being and social inequalities.

The number of households in fuel poverty is currently 25%, with the highest proportion of those people resident in social housing. Living in fuel poverty exacerbates health problems such as

⁶ IPCC, [Special Reports on Global Warming of 1.5 °C](#)

⁷ Joseph Rowntree Foundation, [Climate Change and Social Justice: an evidence review](#)

asthma and heart conditions and it is often the case that those struggling to pay their bills will ration their use of energy as a first. Achieving our climate targets will require energy efficiency improvement, providing one of the most effective approaches to tackling fuel poverty.

In transport, reducing climate change emissions will also reduce dangerous air pollution helping to reach legal air safety standards that are currently being breached at seven areas across Scotland and increase the risk of serious health conditions, like asthma, heart attacks, and strokes. Moreover, encouraging a shift towards active travel is connected to improvements in physical and mental health. Transport is also the largest single source of emissions in Scotland, tackling this sector is an urgent climate and social issue.

Moving to a circular economy in Scotland will keep materials circulating in our economy for longer, reducing the amount of waste that litters our streets and countryside, pollutes our waters and injures our wildlife. Our greenspaces will be improved with knock on positive impacts on users physical and mental health. By reducing the burden on other countries where materials are sourced – often through damaging extractive activities like mining - wider environmental benefits will also be felt overseas.

Re-localising our economies and food systems will also help rebuild community cohesion and tackle the interlinked crises of mental health and isolation.

The objective must always be to ensure that opportunities are shared across Scotland, with an emphasis in areas with heightened risk including those dependent on energy intensive industries, where workers and communities must be supported through the transition. The investment and infrastructure transformations necessary must be strategically placed.

The impacts of a global price war and COVID19 are having severe consequences for many workers and communities in the oil and gas industry right now. It is essential that intervention now to protect jobs and the surrounding communities promotes retraining and support to move into secure and decent work in the green economy, rather than just encouraging workers back into the volatility of fossil fuels.

To deliver an economy that is able to prioritise social benefits over private profit requires a substantial increase in alternative ownership and investment models, and a shift away from GDP towards better indicators of economic success including wellbeing and sustainability.

3. What would a successful transition to net-zero emissions look like for your sector/community? Please explain your view.

A successful transition is one that happens at a pace necessary to meet international climate obligations, delivering climate justice for those hit the worst and first by climate breakdown overseas, while being implemented fairly, in a way that reduces inequality and enhances wellbeing at home. It will be delivered domestically through a transformation of our economy

and society to tackle the real causes of the crisis faced, which are rooted in a system that prioritises profit for the few over the needs of the many. Scotland will no longer offshore its emissions, reducing both production and consumption emissions in line with Paris Agreement targets.

A Just Transition as described, will require an emphasis on planning and a substantial deepening of democratic participation in the workplace, the economy and in Government policies to realise it. It will avoid the mistakes of past, unjust transitions by maintaining livelihoods, properly funding training, re-training and other measures to support transition of the workforce and tackle disadvantage in the labour market more widely. Social inclusion will be improved, and the Scottish economy rejuvenated, with diverse output and spatial basis, and providing decent, unionised work. It will alleviate the domestic impacts of the climate crisis, tackle fuel poverty and reduce air pollution to safe levels.

The zero-carbon economy will be fully circular, functioning within planetary limits, with secure and decent work for all. Energy usage will be significantly reduced, and derived from renewable sources. Active travel and public transport will be instinctive options for most travel, with a better-connected transport network. Public and community ownership of assets will create more meaningful spaces for participation of workers and communities with resilient re-localised economies. Good quality jobs will have been created in designing, supplying and managing this transformation. Local supply chains will have been built up and dependence on imports reduced.

This will require a transformation of our offshore industry that shifts from oil and gas extraction to decommissioning and renewables, instead of placing hopes on unproven and expensive geo-engineering 'fixes' like CCS that will delay the necessary changes offshore. This will be coupled with a rapid growth in renewable energy capacity, domestic supply chains and our capacity to repair or repurpose goods to ensure that emissions are not simply offshored or that our oil and gas dependency continues through imports.

4. What actions do you think the Scottish Government should take to manage the opportunities and challenges referenced above?

Planning

A step change is required from the Scottish Government, to turn rhetoric into meaningful action to make a Just Transition a reality. This will require a comprehensive, economy-wide Just Transition Strategy that incorporates Climate Justice and Just Transition principles. The current Climate Change Plan will be updated later this year to reflect increased targets under the Climate Change (Scotland) Act 2019, as well as measures for Green Recovery from COVID-19. The revised CCP must be aligned with Just Transition principles and include Just Transition

provisions as per the 2019 Act. The CCP must identify additional emissions savings across sectors while laying the groundwork for the development of a Just Transition Strategy.

To support the implementation of a Just Transition Strategy, **the Just Transition Commission should be established on a statutory basis for the duration of legally binding emissions reductions targets.** The Commission should advise the Government and all relevant agencies on making the transition to a fossil free economy in which the costs and rewards are shared fairly; and report on measures put in place to ensure that livelihoods of workers and of communities are protected and social equity is enhanced.

Coherence

Lack of coherence is a key threat to realising the benefits and avoiding the risks of transition. To address this, a first step would be for **the Scottish Government to abandon its support of Maximising Economic Recovery (MER) of oil and gas reserves to provide a clear statement of the direction of travel.** Emissions from the 5.7bn barrels of oil and gas reserves in already-operational UK fields exceeds the UK's fair share of Paris Agreement goals, while the policy of MER would take this figure up to 20bn - far beyond safe climate limits⁸. The reliance on unproven and expensive geo-engineering 'techno-fixes' such as CCS and hydrogen from fossil gas is failing to tackle the root of the energy problem; we must phase out our dependency on fossil fuels over the next decade to limit warming to 1.5°C.

It is crucial that we avoid offshoring our emissions, masking our true contribution to environmental and climate crisis. This means targets are not just required for shifting from fossil fuels but also for our wider environmental footprint in the move to a true circular economy. **These targets should include a reduction to net zero by 2050 in consumption emissions and a 50% reduction from 2020 to 2030 for minerals, metals and fossil fuel feedstock.** There is a need to support research and development in alternative building materials and industrial processes where there are currently hard to abate emissions, such as using more timber in construction.

Transforming the Energy System

The current marketised, privately-owned energy system isn't delivering for people or the planet. We consider that it will be necessary for the public sector to lead the transformation of the energy sector and that **public ownership should be extended through a well-capitalised publicly owned energy company (POEC) with powers to own distribution networks and generate energy, intervening in and leading the wider energy market in just transition.**

Targets and timescales should be set for electrification and decarbonisation in all sectors of the economy and be incorporated into the national Just Transition Strategy which will be

⁸ Friends of the Earth Scotland, Platform and Oil Change International, [Sea Change: Climate Emergency, Jobs and Managing the Phase-Out of UK Oil and Gas Extraction](#)

focused on creating decent, green jobs, protecting workers' livelihoods, reducing poverty and improving overall wellbeing, based on the policies set out in the Climate Change Plan.

The role of the POEC should be to both make the energy system work well for citizens, including those in fuel poverty, and to drive a just transition to a fossil free economy. This should therefore cover investment in new renewables generation capacity and transmission grids as well as retail operations. **Crucially a POEC must be strategic, coordinating and interventionist, having a whole-system view and not restricted to being a publicly-owned competitor in commercial markets;** it should have a remit to coordinate, invest in and drive forward energy system transformation at the Scottish level.

Public ownership should improve public accountability and POEC workers themselves should be empowered through employee voice based on trade union representation and collective bargaining arrangements to scrutinise company strategy and actions and contribute to oversight of management direction.

Training and skills development

Training and skills, inclusive labour market programmes and career development support should be delivered by colleges, universities and industry-based bodies as part of regional skills plans. Discussions with employers' federations, trade unions and training providers (of potential limits within the employer-based apprenticeship system of rapid growth in specific trades) should be initiated well in anticipation of this problem to be factored into the Just Transition Strategy. **There is an urgent need to map the skills required in a fossil free economy and begin targeted programmes to address any gaps that would impede delivery.**

5. Are there specific groups or communities that may be, or feel that they may be, adversely affected by a transition to a net-zero carbon economy? What steps can be taken to address their concerns? Please explain your view.

The transition to a zero-carbon economy will have concentrated impacts for workers in energy intensive industries, and surrounding local communities. The only route to providing job security and building local resilience is to plan for, and invest in alternative industries in these areas, beginning a managed transition as early as possible for the greatest opportunity to succeed through long term planning.

Beyond those directly employed, there will be significant impacts on the supply chains for these industries and the wider indirect workforce if transferability, including retraining and skills development, is not factored into Just Transition planning.

Addressing concerns must be undertaken through processes which actively listen and engage with the priorities and fears of workers and communities. This requires a meaningful deepening of democratic participation to build a sense of autonomy over the direction of national and local economies. Workers, trade unions and community groups should be placed at the heart of decision-making spaces to shape their future livelihoods and communities.

In addition, there are already individuals and groups of people who face disproportionate social inequality; fuel poverty, child poverty, structural unemployment, insecure employment in the 'gig-economy' and rural isolation with their knock on impacts on physical and mental health, are examples of existing problems in Scottish society which the current economic model is failing to address sufficiently. Those who are already suffering from entrenched social inequalities may feel at risk by proposed changes as part of the transition to a zero-carbon economy. For example, people living in fuel poverty will understandably be concerned at the prospect of significant reform of our energy sector and what the consequences for them as a consumer might be.

A Just Transition should take into account these existing challenges and the Government must plan solutions and drive interventions that provide decent, green jobs while concurrently building a transformed economy that is far fairer by tackling the existing disadvantage and inequality. To realise this, there needs to be a far closer alignment of climate change objectives and wider economic and social objectives, while tackling the climate crisis and inequality must be central to the economic recovery from the impacts of COVID-19.

6. Please provide here any other information, evidence, or research you consider relevant to the work of the Commission. Please explain your view.

Risks of inaction

Meeting our climate targets

Scotland has some of the toughest climate change targets in the industrialised world, with targets of 'net-zero' emissions by 2045, and more importantly, 75% by 2030, enshrined in law. However, analysis backed by many in the environment and development sector in Scotland and internationally, reveals that even the new Scottish climate targets do not amount to a fair share of global emissions reductions, taking into account Scotland's historic responsibility for the climate crisis, and capability to act⁹. These principles are enshrined in the UN framework convention on climate change, and are key to unlocking global cooperation on this existential issue. The immense risks to all life on earth of failing to hold warming to 1.5°C are well documented in the Intergovernmental Panel on Climate Change's Special Report on 1.5°C¹⁰

⁹ FoE Scotland, FoE EWNI, Christian Aid, War on Want and ActionAid, [The UK's Climate Fair Share Technical Report](#)

¹⁰ IPCC, [Special Reports on Global Warming of 1.5 °C](#)

and elsewhere. Action over the next decade is key to averting runaway climate change. We cannot fail to meet our targets; if anything, we have to considerably exceed them.

Just Transition

In the oil and gas industry, the economic consequences of failing to plan for a Just Transition will be particularly severe. The prospect of a painful, deferred collapse is increasing in the absence of a commitment to a managed phase out of fossil fuels and the policies and strategy to deliver. In a deferred collapse scenario, Governments continue to pursue maximum extraction by subsidising the industry, until worsening climate impacts force rapid action to cut emissions globally. The resulting collapse in demand then leads to a sudden and chaotic shutdown of fossil fuel extraction, stranding assets, damaging economies and pushing many workers in fossil fuel and related industries out of work in a short space of time. There are of course risks to energy security in this scenario as well as profound consequences for the economy, workers and communities dependent on the industry. Just Transition is an opportunity for a planned transformation away from fossil fuel dependency to an economy that works for people and the planet, driven by workers and communities.

Additional relevant reports:

- Just and Green Recovery Letter to the First Minister, signed by 82 civil society organisations. <https://foe.scot/resource/just-green-recovery-letter-first-minister/>
- Friends of the Earth Scotland, Platform and Oil Change International, [*Sea Change: Climate Emergency, Jobs and Managing the Phase-Out of UK Oil and Gas Extraction*](#)
- Greg Muttitt & Sivan Kartha, [*Equity, Climate Justice, and Fossil Fuel Extraction: Principles for a Managed Phase Out*](#)
- Just Transition Partnership briefing: [*The Just Transition Challenge in Scotland*](#)
- Just Transition Partnership briefing: [*Publicly Owned Energy Company*](#)
- Just Transition Partnership briefing: [*Paving the Way for a Just Transition*](#)
- Oil Change International, [*The case for public ownership of the fossil fuel industry*](#)
- Vera Weighmann, [*Going Public: The Failure of Energy Liberalisation*](#)

Annex 1 Friends of the Earth Scotland & Platform: Oil and Gas Workforce Survey

Context

Without a radical transformation of our economy, we face climate breakdown. The Scottish Government has set demanding climate and energy targets but plans to deliver them don't do enough to ensure that no-one is left behind. Meanwhile COVID-19, the ongoing oil crisis and the climate emergency are wreaking havoc on workers' livelihoods.

Because Scotland's economy is presently so dependent on North Sea oil and gas, there is a particular need to increase worker consultation and power in policy decisions related to phasing out fossil fuel extraction and transforming the offshore sector to renewables.

Workers understand their industry, have important insights into what retraining and up-skilling they require, and have the right to plan and shape their futures. A transition can only be just when the workers affected have a say in the futures of their livelihoods, communities and climate.

Aim of the survey

The purpose of this project is to understand;

- The impact on the oil and gas workforce of the oil price crash and COVID-19;
- What workers think about a 'Just Transition' and their perceptions of the future of the industry and their livelihoods.

Results

This is an interim analysis of survey results to date. At this time, Friends of the Earth Scotland and Platform have had responses from 355 people, 93% of whom work directly in the oil and gas industry.

Reflecting the current precarity in the industry, of the survey respondents, 45% have been let go or furloughed in the last few months. When asked how much the pandemic and oil crisis has affected their work, 48% checked 'A lot', or 10 on a scale of 1-10. The average rating for satisfaction with job security was 1.9 out of 5. In written responses, many workers expressed frustration with the insecurity and uncertainty inherent to their work

More widely, the average rating for satisfaction with Pay is 3 on a scale of 1-5. Health and Safety has a satisfaction of 3.4 and Workload and Hours 2.9. The clear problem areas are Skills and Training opportunities (2.6) and Job Security (1.9).

The most important figure from the survey responses thus far is that there is an overwhelming willingness to move into work beyond oil and gas with **85% of respondents willing to change industries**, with an additional 9% choosing 'I Don't Know'. Only 5% of respondents felt that they would be unwilling to change industries. In the written responses explaining why not, the majority of this 5% stated that they were simply too old to change industries before retirement.

Of those willing to move into work beyond oil and gas, there is an appetite to enter new industries in green technologies. It is notable that despite significant industry and government support for carbon capture and storage, only 28% of those who responded were interested in this sector, compared with 54% for offshore wind, 50% renewables generally and 35% in decommissioning.

In considering moving out of their current area of work, concern about job security is evident once more. When asked, "In considering moving to a job outside of the oil and gas industry

and/or your industry changing please rank what is most important to you.” 55% of respondents chose job security as the most important factor for changing industries over pay (22%), similar work schedule (13%), similar location (4%) and health and safety regulations (3%).

These interim results suggest that workers are not wedded to their jobs in the oil and gas industry, are clearly unhappy with the lack of job security, and are willing to change industries, but must be provided with a safe and viable route out of their current jobs. A further challenge to the Scottish Government and the Just Transition Commission is that of responses received, only 9% have ever heard of ‘a Just Transition’. In providing certainty to the workforce about their livelihoods, it is clear that work is needed to meaningfully engage those in the oil and gas and associated industries in Just Transition planning and delivery.