

Debate on An Implementation Plan for Economic Recovery

*A Friends of the Earth Scotland briefing
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**Friends of
the Earth
Scotland**

Summary

This briefing sets out Friends of the Earth Scotland's view on the Scottish Government's Economic Recovery Implementation Plan and some of the steps that must be taken to secure a just and green recovery from the impacts of COVID-19.

The pandemic has devastated communities across Scotland and urgent intervention in the economy is a necessity. 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.

In particular, we need Government intervention to create green jobs through an **investment led recovery**, including:

- Rapidly doubling **Scotland's energy efficiency programme**.
- Supporting councils to **set-up municipal bus companies**
- Launching a **large scale fossil fuel decommissioning programme**

A Just and Green recovery

COVID-19, and its impacts on all elements of daily life and the economy, has devastated communities across Scotland, laying bare the stark inequalities and injustices that exist in our society. At the same time, the climate crisis has not gone away, and rising temperatures make extreme global events even more likely.

It is crucial that rebuilding from COVID-19 tackles these twin crises, seizing the opportunities in a zero carbon economy, rather than perpetuating the problems. The Government's actions must aim to make the economy more resilient, acting to limit our contribution to the climate crisis.

Crucially, we cannot go back to the 'old normal', with an economy that prioritises short termist investment in high polluting industries at the expense of the planet and long-term job security.

Friends of the Earth Scotland was one of over 80 organisations who wrote to the First Minister in May, ahead of the advice from the Advisor Group on Economic Recovery, calling for a response that puts people before profit.

The Government's implementation plan

It was positive to see the Scottish Government's Economic Recovery Implementation Plan include a commitment to embed human rights and equalities through the economic rebuild, especially as the pandemic has exposed the importance of incorporating the right to a healthy and safe environment into Scots law. Friends of the Earth Scotland also welcome the Government investigating a job guarantee for young people, one of the most constructive recommendations from the advisory group - but this must be led by government, and not simply rely on business being able to create jobs in a recession.

However, the Government's overall blueprint falls short of addressing the most pressing question - what steps will be taken to secure job opportunities in the zero carbon economy in response to the economic impact of COVID-19. It is disappointing that the Government's response instead relies on long term strategies, with little short term action.

Proposals like the transition training fund and a focussed skills strategy are encouraging, but these must be given an explicit commitment to delivering zero carbon jobs if we are to tackle the dual crises of COVID-19 and climate change.

Investment led green jobs recovery

Studies from the University of Oxford and Transition Economics, among others, have shown that green investments such as energy efficiency, building cycle lanes, investment in public transport and renewable energy can create more jobs, create higher short-term returns and lead to increased long-term savings, as well as having multiple wider social benefits.¹²

The Scottish Government must set out more ambitious concrete steps to create jobs in the zero carbon economy, if we are to meet our climate targets while rebuilding the economy. Crucially, they must commit to an investment led just and green recovery.

The Government's recovery plan must prioritise investments and actions which have proven potential to create jobs and contribute to removing our dependence on polluting fossil fuels.

In particular, these projects should be targeted at known solutions to reduce emissions in high polluting areas, including:

- Rapidly doubling **Scotland's energy efficiency programme**. This would reduce emissions, lift households out of fuel poverty and create skilled jobs across the country in building retrofit and along the supply chain.
- Supporting councils to **set-up municipal bus companies**, run for passengers and not private profit, to connect communities to employment and education.
- Launching a **large scale fossil fuel decommissioning programme** - creating the skills and jobs needed as we transition away from fossil fuel industries

Align spending to a Just and Green Recovery

An immediate review of Government spending and budgets is required to repurpose spending

¹Will COVID-19 fiscal recovery packages accelerate or retard progress on climate change? Hepburn, C., O'Callaghan, B., Stern, N., Stiglitz, J., and Zenghelis, D. (2020), Smith School Working Paper 20-02. <https://www.smithschool.ox.ac.uk/publications/wpapers/workingpaper20-02.pdf>

²Analysis of Infrastructure Investment options for Economic Recovery, Transition Economics http://www.stuc.org.uk/files/Scotland_Report.pdf

towards the Just and Green Recovery, reallocating spending from high carbon projects such as unnecessary and destructive trunk road expansion.

The Scottish Government should also place conditions on businesses receiving financial support, to reduce emissions in line with our climate targets and support Fair Work.

Signalling long term change

Lack of policy coherence is a key threat to realising the benefits of a Just and Green Recovery. Alongside implementing measures which will have immediate benefits for job creation, emissions reductions and the Just Transition, the Government must address policies which undermine efforts to reach the First Minister's stated goal of achieving a "fairer, greener and more equal society".

The Government must end the policy of Maximum Economic Recovery of oil and gas reserves, and commit to a new Economic Strategy for Scotland that pursues wellbeing within environmental limits, prioritising a Just Transition and circular economy.

This long term signalling will be important to offer reassurance in the current climate, and give long term direction to businesses and individuals, particularly those involved in high polluting activities.

Prioritising known solutions

The Government's interventions to kickstart a just and green recovery must focus on proven areas of decarbonisation, such as those listed previously. These must be areas with known emissions reduction impact and immediate job creation opportunities - rather than long term assumptions.

In particular, we would urge caution in the rapid investment that some are calling for in technologies like fossil hydrogen and Carbon Capture, Utilisation and Storage, which risk taking large public investment to prop up private business activities, while offering little, if any, return in job creation and emissions reduction.

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