

Paving the way for a Just Transition

Briefing for MSPs from the Just Transition Partnership

26 June 2018

In Autumn 2018 follow up is anticipated on three Scottish Government commitments that are critical to driving forward action to deliver a low carbon economy:

- the Just Transition Commission
- a Scottish National Investment Bank, and
- a publically owned energy company

This briefing summarises the thinking of the Just Transition Partnership in relation to these, explains why the success of each is interdependent, and highlights our key demands. We look forward to working with MSPs across the chamber to deliver effectively on these commitments.

A Just Transition to meet Climate Change targets

The concept of a Just Transition is central to a successful response to climate change and achievement of Scottish greenhouse gas emission reduction targets. **A Just Transition means moving to a modern low-carbon economy in a way which protect workers' livelihoods, creates a new industrial base and delivers a fairer Scotland.** The need for action is urgent in order to avert the environmental and economic costs of climate change and to rebalance the economy to one which provides enough decent jobs making things in non-polluting ways.

Committing to a Just Transition will help move discussion on from setting targets to the concrete actions needed to move our economy away from fossil fuels and how they will be achieved. Considering the impacts of these changes on jobs and communities can ensure that they sustain and create employment opportunities, build greater inclusion and protect the people and places affected. This in turn builds popular support for action on climate change.

Just Transition Commission & the Climate Change Bill

The Scottish Government has accepted the case made by the Just Transition Partnership and committed to establishing a Just Transition Commission in its 2017 Programme for Government. Details about the remit and membership of the Commission have yet to be announced, but are anticipated in Autumn 2018. We consider that **its remit should be to advise Government on making the transition to a prosperous low-carbon economy** in which the costs and rewards are shared fairly; and **report on the measures put in place to ensure that livelihoods of workers and of communities are protected** and social equity is enhanced. Its membership must include both trade unions and environmentalists.

The vital importance of the Just Transition approach to realising the transformation to a low carbon economy means that **the Climate Change Bill currently before Parliament should put the new Commission on a statutory basis** to give it the status needed to carry out its functions effectively for the duration of the climate targets laid out in the Bill. The Bill should also include a commitment that a Just Transition approach will be central to

the delivery of targets, and include **reporting on the Just Transition in the Climate Change Plan**, i.e. 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, and the scale and sources of investment to achieve plans.

Role of Scottish National Investment Bank in Just Transition

The decision of the Scottish Government to set up a National Investment Bank is a welcome step in tackling the inadequate levels of investment in Scotland and its misalignment with crucial public policy objectives like decarbonisation and poverty reduction. **The Bank's remit should be to provide mission-led finance and in particular to support the just transition to a low-carbon economy.**

This means providing e.g. long-term, large scale investment to help get a domestic renewables manufacturing industry off the ground, finance for a national programme of district heating, and investment in public transport, walking and cycling infrastructure. **The Bank's policies should ensure that all of its investments take into account the need for energy transition.**

An ambitious Public Energy Company to drive the transition

The current marketised, privately-owned energy system isn't delivering change at the pace needed for a Just Transition to a low-carbon economy. At the same time, we face unacceptable levels of fuel poverty, high energy prices and dissatisfaction with the behaviours of the big energy suppliers. Taken together these all point powerfully to the need for extension of public ownership within the energy system in order secure these shared public objectives.

The proposal for a government-owned energy company should play a central part in these plans and so its remit must be ambitious. However, the EY report for the Scottish Government gives little attention to decarbonisation and to the delivery of energy efficiency measures. Initial proposals are restricted to the retail end of the energy system, and place generation and transmission in a distant third phase of development.

The case for the company should be tied into plans to implement a just transition to a low-carbon economy. **The best option for competing commercially and driving energy transition involves generation and transmission as well as supply**, so we are calling for a commitment that the Government-owned energy company will embark on these in its initial phase.

About the Just Transition Partnership

The Just Transition Partnership was formed by Friends of the Earth Scotland and the STUC in 2016. Membership includes Unite Scotland, UNISON Scotland, UCU Scotland, CWU Scotland, PCS Scotland and WWF Scotland.

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