

# **Scotland's Just Transition Commission**

# **Background**

- Just transition has been high on the agenda in Scotland for several years, in part due to the
  efforts of a broad coalition of trade unions and environmental NGO's organising under the
  banner of the Just Transition Partnership.<sup>1</sup>
- Scotland has a strong history of combatting climate change. Between 1990 and 2018 greenhouse gas emissions were reduced by 45.4%<sup>2</sup> and in 2019 the Scottish Parliament legislated to set a target of net-zero emissions by 2045.<sup>3</sup>
- Scotland took world-leading action to include a set of just transition principles in climate change legislation. This means Government must have regard to just transition when setting out plans to reduce emissions. These principles are defined as the importance of reducing net Scottish emissions of greenhouse gases in a way which:
  - (a) supports environmentally and socially sustainable jobs,
  - (b) supports low-carbon investment and infrastructure,
  - (c) develops and maintains social consensus through engagement with workers, trade unions, communities, non-governmental organisations, representatives of the interests of business and industry and such other persons as the Scottish Ministers consider appropriate,
  - (d) creates decent, fair and high-value work in a way which does not negatively affect the current workforce and overall economy,
  - (e) contributes to resource efficient and sustainable economic approaches which help address inequality and poverty.

#### **Just Transition Commission**

- To further support the application of just transition principles, the Scottish Government established a Just Transition Commission in 2018. The Commission is tasked with providing practical independent advice to Ministers on how to maximise the economic and social benefits of decarbonising Scotland, while managing the risks and challenges.<sup>4</sup>
- The Commission is Chaired by Professor Jim Skea, co-Chair of working group III (Mitigation) of the IPCC and Professor of sustainable energy at Imperial College London. He is joined by 11 other members, including 2 trade union representatives, 2 environmental group representatives (one of whom also represents young people), and representatives from industry, academia, and the third sector.<sup>5</sup>

<sup>&</sup>lt;sup>1</sup> Joint statement on just transition (link)

<sup>&</sup>lt;sup>2</sup> Greenhouse gas emissions 2018: estimates (<u>link</u>)

<sup>&</sup>lt;sup>3</sup> Climate Change (Emission Reduction Targets)(Scotland) Act 2019 (<u>link</u>)

<sup>&</sup>lt;sup>4</sup> Terms of Reference of the Just Transition Commission (<u>link</u>)

<sup>&</sup>lt;sup>5</sup> Membership of the Just Transition Commission (link)

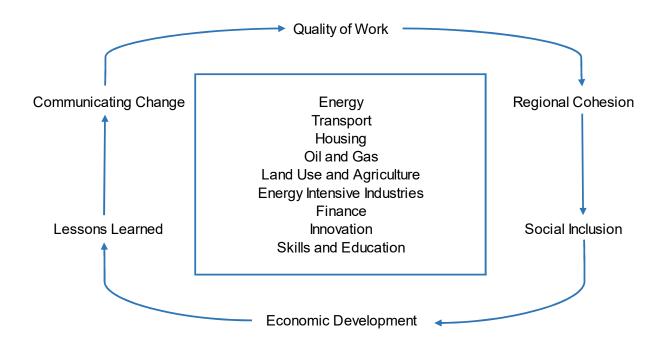


- The remit of the Commission asks them to deliver recommendations that will support Scottish Ministers take action to:
  - Maximize the economic and social opportunities that the move to a net-zero economy by 2045 offers
  - Build on Scotland's existing strengths and assets
  - Understand and mitigate risks that could arise in relation to regional cohesion, equalities, poverty (including fuel poverty), and a sustainable and inclusive labour market
- The Commission took an early decision to focus on the opportunities as well as the challenges of climate change mitigation, and to consider how mitigation actions could address existing inequalities currently exacerbated by the COVID-19 pandemic. It also identified consumers as key stakeholders and the importance of communities and place. This broad approach distinguishes Scotland's Commission from many other just transition initiatives.
- The Commission started its work in January 2019, and published an interim report in February 2020. It will provide final advice to Ministers by March 2021. It is committed to being open and transparent through the course of its work, with minutes and papers published following each meeting. For example, the papers for the meeting covering oil and gas are available <a href="here">here</a>.

### **Work Plan**

- The Commission's work plan covers a range of topics, recognising that meeting the net-zero 2045 target will require changes in every sector of the economy. Again, this distinguishes the Commission from other just transition initiatives, which have typically been concerned with a single sector (often the phase-out of coal power generation).
- The Commission's work plan is structured around the topics and sectors in the box below the
  themes on the outside of the diagram are used by the Commission as the starting point for
  inquiry into these topics.





- Since January 2019, the Commission has been progressing its work, holding meetings around the country, and hearing from trade unions, industry, NGO's and communities in the process.
- Engaging widely is central to the work of the Commission. To date, the Commission has met communities affected by previous transitions, heard from individuals with experience of fuel poverty, and engaged with oil and gas sector professionals to hear their views on energy transition.
- This approach will ensure that the Commission is exposed to wide range of views and mean their final recommendations will reflect the concerns and aspirations of people across Scotland in relation to the transition.

### **Interim Report**

- On February 27<sup>th</sup> 2020 the Commission published its interim report.<sup>6</sup> This summarised the emerging themes for the first year of their work along with some initial recommendations for Government. In particular, three themes stood out from the Commission's work to date, which closely align with the ILO principles:
  - 1. The importance of **transition planning**, and shared vision of the future with stakeholders that can be acted on. The Commission heard from members of a community affected by the closure of the last coal-fired power plant in Scotland. While outcomes for former workers were good, there was a feeling from the community that the future of the area had not been adequately addressed.

<sup>&</sup>lt;sup>6</sup> Just Transition Commission: Interim Report (link)



- 2. The need for **social dialogue and meaningful participation** in climate action. Failure to implement the wide-ranging and on-going discussion on climate change will lead to resistance and failure to act.
- 3. The overwhelming imperative to place **equity at the heart of decisions** on climate change. The Commission state in their report, "The imperative of a just transition is that Governments design policies in a way that ensures the benefits of climate change action are shared widely, while the costs do not unfairly burden those least able to pay, or whose livelihoods are directly or indirectly at risk as the economy shifts and changes".
- The report also contained a range of initial recommendations for Government. These covered
  a wide-range of areas including embedding Fair Work principles<sup>7</sup> in new green jobs, creation of
  a climate emergency skills action plan, and establishment of a citizens' assembly on climate
  change in Scotland.
- These messages will continue to be built upon and advanced as the Commission prepares to submit its final report to the Scottish Government in March 2021.

## **Green Recovery report**

- The Commission has also recently published a report advising Government on priorities for a
  just, green recovery from the COVID-19 pandemic.<sup>8</sup> This highlighted some of the impacts of
  the pandemic particularly relevant to the delivery of a just transition in Scotland:
  - 1. **Young people** are especially at risk we know from past recessions that people entering the labour market for the first time may experience persistent poor outcomes in relation to employment and earnings.
  - 2. Patterns of **transport** use have changed, but there is great uncertainty about the permanence of these changes what this means in particular for the public transport system may carry with it huge equity considerations.<sup>9</sup>
  - 3. There is an accelerated transition unfolding in the **oil and gas** sector this has potential to jeopardise delivery of a just transition for workers and wider efforts to diversify the north east economy.
  - Some rural sectors and regions are especially hard hit in particular, those reliant on hospitality/tourism for employment but poor infrastructure has also been highlighted in some cases.
- The report outlined a package of measures for Government to adopt as part of a green recovery from the pandemic:
  - 1. Boost investment in warmer homes
  - 2. Back buses and boost the supply chain

<sup>&</sup>lt;sup>7</sup> Fair Work Convention: Fair Work Framework 2016 (link)

<sup>&</sup>lt;sup>8</sup> Just Transition Commission: advice for a green recovery (<u>link</u>)

<sup>&</sup>lt;sup>9</sup> Lower income people are proportionally more likely to rely on public transport to access services and employment opportunities.

# Advising on a net-zero economy that is fair for all



- 3. Help rural Scotland by helping Scotland's nature
- 4. Maintain and create new jobs for displaced oil and gas workers
- 5. Align skills development for young and old to the net-zero transition
- 6. Give a clear sense of direction and attach conditions to funding