



# Just Transition Commission

A national mission for a fairer, greener  
Scotland  
Executive Summary



# Just Transition Commission – “A national mission for a fairer, greener Scotland”

**Climate action, fairness and opportunity must go together. Taking action to tackle climate change must make Scotland a healthier, more prosperous and more equal society, whilst restoring its natural environment. We want a Scotland where wellbeing is at the heart of how we measure ourselves and our prosperity. We know that the scars from previous industrial transitions have remained raw for generations. We know that some more recent aspirations for green jobs have not delivered on all the benefits promised for Scottish workers and communities. We need rapid interventions to fully realise the potential (and mitigate the potential injustice), associated with the net-zero transition.**

**What transition?** Scotland’s commitment to reach net-zero greenhouse gas emissions by 2045 means a fundamental transformation of our economy: this affects the way we work, the way we do business, the way we travel, the way we get our heat and electricity and all the products and services we buy, including the clothes we wear and the food we eat.

**Why “just”?** The scale and pace of the change required is unprecedented. Our view is that this transformation is an opportunity to do things differently and to do more of what we already know works. It is an opportunity to tackle existing inequalities, strengthen communities and improve our wellbeing. Unfortunately, we have experienced the way rapid, disorderly changes can lead to injustice – we only need to think of Scotland’s experience of shipbuilding, coal mining and heavy engineering. In addition, to deliver the pace of change required over the next twenty years, the people of Scotland will need to be fully involved and supportive. It must be both fair and seen to be fair: who pays, and how benefits are shared, really matter. **This transition needs to be a national mission with social justice at its heart: something achieved BY the people of Scotland, not done TO the people of Scotland.**

## Just Transition Commission: 2019–2021

The Commission was established in 2018 and has been asked to provide Scottish Government Ministers with practical advice. Our group is made up of a wide range of expert voices reflecting the breadth of this challenge: from business, trades unions, third sector, industry, environmental groups and academia. Over the last two years we have been gathering knowledge, expertise and lived-experience from a wide range of people and groups across Scotland. Our recommendations aim to distil this into practical advice.

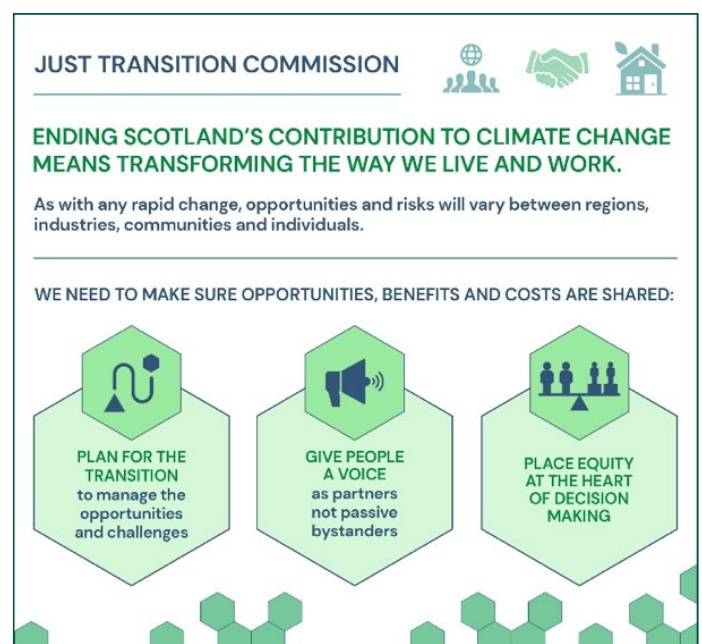


Figure 1 Key messages from our INTERIM REPORT (Feb 2020)

# What does Just Transition mean for Scotland?

## How is Scotland likely to change as it moves toward net-zero? What implications will these changes have for workers, consumers, communities, businesses and industries?



### The future of our energy system

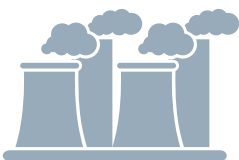
Our energy production expertise in oil and gas, and the infrastructure that goes with our current activity, can be re-purposed towards net-zero technologies. In the North Sea, alongside a decline in the demand for oil and gas and associated traditional activity, we will see growth in decommissioning and activity to repurpose infrastructure for a low carbon future. Our renewables industry will expand every year, with opportunities for Scottish successes in design, manufacturing, operations and maintenance. To date, this hasn't meant a big increase in jobs for Scottish manufacturing. Renewable technologies, like many modern industries, are less labour intensive with a risk that levels of overall employment fall. Fewer "traditional fossil fuel" jobs will have knock-on effects for wider communities and regions of Scotland. To ensure we make the most of opportunities, Scotland needs to decide to be a supplier of low carbon solutions and not just a buyer from other nations. The changes can bring big opportunities for consumers, with the growth of new energy tariffs, domestic energy storage and smart appliances. Will all consumers be able to access these, or will the better-off tend to benefit?

clear plans and roadmaps that can give industry the confidence to invest. We'll need a skills system that gives workers and businesses what they need to succeed. We must also remember there are important links between industry, place and community: if our intentions, engagement and planning are overtaken by shifts in the market, or other external events, we need to be flexible and speedy in supporting workers and places that are affected.



### Our buildings and how we heat them

Our housing stock can and must be improved rapidly. As a result we can be healthier, whilst tackling climate change and creating good jobs for those involved in improving or updating heating systems, or by manufacturing the systems themselves. We'll need enough people and businesses with the right skills. This needs to happen quickly, and yet we must take into account the pressures already felt by consumers, ensuring that fuel poverty is not increased. Unlike changes in the wider energy system or in industry, all of this will have a very direct impact on our homes: opportunities to improve people's lives must be seized and the cost of making improvements must be shared fairly.



### The future of our industrial base

Scotland can be at the forefront of the global net-zero industrial revolution, just as it was for the first industrial revolution. We are well-placed to lead the way in making things differently, and industries leading this shift will be increasingly attractive for investors. But decarbonising industry quickly will be difficult: will a push to reduce emissions in Scotland just mean businesses take their emissions (and jobs) elsewhere? We'll need

# What does Just Transition mean for Scotland?



## How our transport system works

Our future net-zero transport system will be better at allowing all of us convenient access to the services we need. It can actively promote equality, through design. How well our current system works depends a lot on where you live and how well off you are. It is generally designed with car owners in mind. Those who are less well off, or who live in more deprived areas, tend to rely more on public transport. And those in rural or remote areas have little alternative to a private car. We need to balance the way costs and benefits are distributed as we transition to a low-carbon transport system. We'll need new skills to make these changes happen and it will also affect our day-to-day choices.



## How we use and manage our land

Scotland's climate ambition will rely on big changes to the way Scotland's land is used. By 2045, there will be less farm land. There will be more woodland cover and healthy peatlands, helping to store carbon. There are already competing priorities for how land is used. We'll be investing large amounts of money into peatlands and woodlands: how do we ensure the benefits are felt widely by rural communities, and not just existing land owners? Many in the agriculture sector have concerns that the net zero transition will see people lose their livelihoods and fundamentally change their way of life. However, with the right support in place, there are huge opportunities for more integrated, multi-use land and for farming in a way that locks up more carbon in soils. Measures to reduce agricultural emissions also improve soil, plant and animal health and involve more efficient use of expensive inputs like fertilisers, while helping farmers build resilience to the challenges that a changing climate will bring.

# Delivering on a Just Transition

**A number of common themes are clear: “who pays” (and how), “who benefits” (and how), the need for a skills system that helps people take part and the importance of winning hearts and minds.**

We’ve summarised all of our recommendations into a single table, below. In the main body of our report you will find much more detail about what we are aiming for, and a range of suggestions for how Scotland might get there. For each recommendation we flag who needs to act, to make it happen. We have grouped our thoughts into four main messages:

**1. Pursue an orderly, managed transition to net-zero that creates benefits and opportunities for people across Scotland**

Fundamental changes to the way we live, work and do business could have a positive impact on Scotland’s overall economy. The impact will differ widely across sectors and regions. ***Just transition roadmaps will give direction and confidence, driving investment that brings jobs, skills and value to Scotland; stakeholders will work together on robust plans; government business support will be more explicitly linked to emissions reductions, stronger local supply chains and Fair Work. These fundamentals can be a catalyst for action across the public and private sectors.***

**2. Equip people with the skills and education they need to benefit from the transition**

Scotland’s citizens need to be supported to take up new opportunities and adapt to changes that could affect them. ***We need a flexible and accessible skills and education system that can meet the needs of a net-zero economy and address inequalities. Specific interventions will be needed for some, such as those in carbon-intensive industries, farmers and land managers and small businesses, particularly in construction and transport.***

**3. Empower and invigorate our communities and strengthen local economies**

An inclusive transition ensures people have a say in climate action and strengthens local economies. ***A just transition is shaped by Scotland’s citizens, not imposed on them. It energises social partnerships and local democracy and develops places and communities that are designed for net-zero and improved wellbeing. It empowers consumers to choose local, sustainably produced food and drink.***

**4. Share benefits widely and ensure burdens are distributed on the basis of ability to pay**

Our current approach to funding decarbonisation is not fit for purpose. The adoption of new technologies and new ways of buying and selling electricity will rapidly increase as we move to net-zero. Smart innovations and modifications in transport, housing and energy systems will not all be universally accessible and may exacerbate existing inequalities. ***A just transition refocuses on wellbeing; it uses the power of government intervention and public finance (such as the Scottish National Investment Bank and public pension funds) to drive action; it explores new funding methods for local projects; it fully explores the distributional impact of taxes; it ensures new technologies and services are delivered in a way that works for people, and improves the lives of the most vulnerable in our society.***

# Delivering on a Just Transition

No.	Recommendation
<b>Key message one: Pursue an orderly, managed transition to net-zero that creates benefits and opportunities for people across Scotland</b>	
1	Ensure sufficiently developed roadmaps exist for the net-zero transition in Scotland, including for key technology options.
2	The public sector must be more prescriptive and strategic in its use of funding streams to build strong and resilient local supply chains
3	All levers should be used to achieve increased local content and more competitive Scottish offshore wind projects.
4	All public funding for climate action should be conditional on Fair Work terms
5	Just Transition plans for high-emitting industrial sectors of the Scottish economy and include clear milestones out to 2045.
6	Develop a position on the role of a carbon border tax to mitigate against the threat of offshoring emissions and jobs.
7	Establish a Just Transition Plan for Scotland's land and agriculture and include clear milestones out to 2045.
<b>Key message two: Equip people with the skills and education they need to benefit from our transition to net-zero</b>	
8	Lay the groundwork for a flexible, accessible skills and education system that can meet the needs of net-zero while addressing existing inequalities in the labour market.
9	Create a skills guarantee for workers in carbon-intensive sectors.
10	Support small and medium sized enterprises to invest in their workforces.
11	Equip farmers and land managers with the skills, training, and advice they need
<b>Key message three: Empower and invigorate our communities and strengthen local economies</b>	
12	Conclude the Local Governance Review at the earliest possible date
13	Implement Green Participatory Budgeting with agreed target levels of funding
14	Launch a call to action for engagement with Regional Land Use Partnerships
15	Apply the lessons learned from Scotland's Climate Assembly across the development of all policies for tackling climate change
16	Empower and resource Local Authorities to deliver a just and green recovery
17	A new "Sustainable Scotland" brand should be created to support Scottish agriculture deliver climate action and to empower consumers to choose sustainably produced food and drink.



# Delivering on a Just Transition

## No.

## Recommendation

- 18 Scottish Government, Local Authorities and Developers must commit to creating communities that embed low-carbon lifestyles, while improving our health and wellbeing
- 19 A statutory public interest test should be developed for any changes in land ownership over a certain threshold

**Key message four: Share the benefits of climate action widely; ensure costs are distributed on the basis of ability to pay.**

- 20 Decisive action must be taken to ensure that all consumers are able to benefit from the increasing availability of new ways of buying and selling electricity
- 21 Any additional costs for consumers associated with emissions reduction must be linked to ability to pay.
- 22 The power of public sector pension funds and business support funding must be directed towards ensuring companies align with the just transition to net-zero
- 23 New methods for funding the transition should be developed that mobilise finance towards local projects
- 24 We must move beyond GDP as the only measure of national progress. For a just transition to be at the heart of Scotland's response to climate change, Scottish Government must champion frameworks that prioritise wellbeing.

# A look to the future

## A look to the future

We also explored what Scotland would need next, to ensure just transition stays as a key organising principle for climate policymaking in Scotland, and becomes embedded across Government strategy. We focused on what functions are needed to continue momentum. Our view is that these fall into three areas: scrutiny, advice and awareness raising / campaigning.

We identified three particular actions for the Scottish Government, which are intended to provide clear accountability and help build momentum across society towards the delivery of this national mission.

1. Make the Deputy First Minister, or at a minimum a Cabinet Secretary, responsible for a just transition to net-zero.
2. Establish capacity for independent scrutiny and advice on the just transition provisions that area already in our Climate Change legislation.
3. Launch a national call for action at COP26, that brings business, trade unions, and civic society together in a commitment to support just transition principles in Scotland.

COP26 in Glasgow presents a unique window of opportunity to drive forward a just transition. A national call to action would help the people of Scotland appreciate our standing and ambition in the global context, and would bring together disparate parties towards the shared goal of making Scotland a greener and fairer country.