

Just Transition Partnership

Briefing for members of the ECCLR Committee

Ahead of taking evidence from the Scottish Government's Climate Change Bill Team on the question:

- How does the Scottish Government intend to implement its commitment to create a Just Transition Commission, and why is this not included on the face of the Climate Change (Emissions Reductions Targets) Bill?

12 June 2018

Just Transition and Climate Change Targets

The concept of a Just Transition is central to a successful response to climate change and the implementation of Scottish greenhouse gas emission reduction targets. The draft Bill increases targets under the 2009 Act, and requires sectors to report on emissions reductions, while the Climate Change Plan identifies their current GHG sources and future reductions according to sector.

These challenging overall objectives will require a rapid economic transition so it is vital to show how they can be made to happen – spelling out the industrial changes that are needed and how they can be implemented in ways which benefit the economy, protect employment levels and build social cohesion.

That is the role of **Just Transition**: ensuring that the transition to a prosperous low carbon economy is done in a way in which the costs and rewards are shared fairly, and employment levels and job quality are protected and enhanced.

This concept provides an approach to the implementation of GHG targets which reflects the need to both drive the transition forward rapidly and to ensure popular support by bringing socio-economic benefits and the needs of workers and communities into account. It embodies principles which should characterise the Scottish approach to climate change mitigation.

The need for a Just Transition Commission

Meeting the emissions reduction targets will require a concerted long-term effort from all social and economic sectors, led by government. The positive vision provided by the Just Transition agenda offers a framework which can be shared across the nation and which can engage the support of all sectors.

The Scottish Government has accepted the case made by the Just Transition Partnership and Stop Climate Chaos Scotland, and committed to establishing a Just Transition Commission in its 2017 Programme for Government. It fell short however, of agreeing to put the Commission on a statutory basis, and the draft Climate Change Bill fails to do so.

Little detail has been revealed about the Scottish Government's plans for the Just Transition Commission to date. The Just Transition Partnership is calling for the

Commission 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. In addition it should play a central role in energising and facilitating these changes through:

- focusing attention on changes needed and doing them in socially just ways;
- securing widespread support through engagement with unions, employers and civil society;
- scrutinising and advising all of the actors and sectors involved.

Such a Commission could assist the Scottish Government in overcoming barriers, and engaging the active participation of workers, employers and civic society. For more on the Just Transition Partnership's proposals for the remit, functions and composition of the Just Transition Commission, see Annex 1.

Putting Just Transition in the Climate Change Bill

The vital importance of the Just Transition approach to realising the transformation to a low carbon economy requires that the Climate Change Bill should enshrine it in a meaningful way. This means:

- including a commitment that a Just Transition approach will be applied to the creation of a low carbon economy, protecting livelihoods, enhancing social justice and contributing to a fairer and more equal Scotland;
- including reporting requirements on 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, the scale and sources of investment; and annually by Ministers on progress towards these;
- putting the Commission on a statutory basis in order to give it the status needed to carry out these functions effectively and help drive the changes needed, for the duration of the climate targets laid out in the Bill.

The Commission should report to Ministers, and its reports should also be laid before Parliament.

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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Just Transition Partnership

Proposals for the The Just Transition Commission

March 2018

The Scottish Government announced that it would set up a Just Transition Commission in its Programme for Government of September 2017. In creating a Just Transition Commission, it has an opportunity to set out a bold path for a radical and fair transformation of the Scottish economy, both moving towards eliminating greenhouse gas emissions and achieving greater social justice and environmental sustainability.

This document sets out the proposals concerning the Commission from the Just Transition Partnership, set up by the Scottish Trade Union Congress and Friends of the Earth Scotland in October 2016, and supported by Unite, UNISON Scotland, UCU Scotland, CWU, PCS and WWF Scotland.

Context

The current targets for reducing greenhouse gas emissions are set in the Climate Change Act 2009; these will be updated and extended in the Climate Change Bill 2018 in light of the Paris Agreement and the scientific evidence upon which it is based, sending a clear signal to all stakeholders and to private enterprises and investors.

The rapid decarbonisation needed for Scotland's contribution to limits set in the Paris Agreement should not be made at the expense of the workforce in sectors which currently extract or depend on the use of fossil fuels. The UK has already experienced badly-managed de-industrialisation which led to workers losing out and communities being left behind. Similarly, experience to date shows that the growth of renewable energy generation does not necessarily result in the creation of new manufacturing and engineering capacity and employment in Scotland.

Specific measures are needed to ensure that these benefits accrue. We need to put in place measures to ensure that building a low carbon economy results in a growth in employment which protects workers' livelihoods and creates a new industrial base. If planned and delivered in the right ways, achieving decarbonisation should also help deliver a fairer, greener country with better housing, cleaner transport, improved health and greater equity.

Therefore the Climate Change Bill should enshrine a commitment that the transition will be a Just Transition - that is, that the ways in which a low carbon economy will be achieved will protect livelihoods, enhance social justice and create a fairer and more equal Scotland. This will require substantial flows of investment into low-carbon infrastructure and enterprises

and the conversion of existing industrial sectors, including through engagement of the workforce via collective bargaining. With the launch of the Commission, the Scottish Government should commit to developing robust plans which quantify the scale of the investments required for meeting emissions reduction targets and detail how their financing and delivery will be secured; and which consider the merits of increased public ownership in order to speed up and give direction to the transition.

To be effective, steps towards the governments' low carbon reduction objectives and a just transition will have to be integrated across all relevant parts of government. The objective should be included in the remit of the Scottish National Investment Bank and of a future Government-owned energy company; it should also be integrated into the Economic Strategy and the Energy Strategy. Just Transition should be incorporated into the Climate Change Plan, which should include specific measures and budget lines for supporting the transition of the workforce as well as appropriate performance indicators. The Just Transition should be a core theme of any future industrial strategy.

The Just Transition Commission should advise the Scottish Government on the transition to a prosperous low carbon economy in which the costs and rewards are shared fairly, and employment levels and job quality are protected and enhanced. In addition it can play a central role in energising and facilitating these changes through:

- focusing attention on what needs to be done and how it can be done in socially just ways;
- securing widespread and popular support through engagement with unions, employers and civil society;
- scrutinising and advising all of the actors involved, not just central government.

All sectors of society will have to play their part so it is important that the involvement of unions, workers and communities as well as enterprises becomes the norm.

Proposals for the Just Transition Commission

Remit

The Just Transition Commission should be given a remit which includes:-

- advising ministers on making the transition to a low carbon economy in which the costs and rewards are shared fairly
- reporting on and scrutiny of the measures put in place to ensure that livelihoods of workers and of communities are protected and social equity is enhanced.
- providing direction, leadership and strategic thought for Just Transition in Scotland, building on engagement with unions, workers and employers. In doing so it will support and enable the realisation of the Scottish Government's vision for a low carbon Scotland

The focus should be on transforming Scotland's whole economy through driving the transition to low carbon emissions, attending to jobs and job quality and the needs of workers and geographical communities – that is, on what needs to be done and how it can be done expeditiously and with a fair distribution of costs and benefits.

The Commission should be able to examine the plans and activities of all agencies whose actions are necessary for achievement of the Just Transition, and the extent to which they are integrated and joined-up. It should be empowered to make recommendations and advocate on behalf of the objectives of Just Transition. In order to prevent offshoring emissions production overseas, consider how to make the just transition to achieving the climate change targets without increasing consumption emissions

The principles of Just Transition should be enshrined in the Climate Change Bill which should also establish the remit of the Just Transition Commission. The time period of the work of the Commission should derive from the function of monitoring progress towards and achievement of emissions reductions targets under the Climate Change Bill.

Reporting

The Commission should report to Scottish Ministers. In the current distribution of Ministerial portfolios we advocate that principle responsibility should lie jointly with the Cabinet Secretary for Economy, Jobs and Fair Work and the Cabinet Secretary for Climate Change, Environment and Land Reform.

Its reports should also be laid before Parliament and it should be able to give evidence to Parliamentary Committees. The Commission will produce both annual and one-off reports.

Functions/activities

The Commission should be a fully independent body which can:-

- Advise Ministers on the transition to a prosperous low-carbon economy
- Investigate measures needed to achieve a Just Transition and actions taken in Scotland to implement them
- Report to Scottish Government, Scottish Parliament and to the Scottish public

- Recommend and advocate
- Monitor progress towards the achievement of a Just Transition towards emissions reductions targets under the Climate Change Bill / Act, including as appropriate in relation to consumption emissions
- Engage with workers, unions and enterprises affected

The Commission should carry out its duties in such ways that it can assist the Scottish Government overcome barriers to Just Transition, engaging the active participation of workers, employers and civic society.

The role of the Commission is expected to evolve over time. Evidence-gathering, research, public hearings and assessment of the challenges and opportunities can be expected to feature strongly in its initial work programme, with an ongoing monitoring and evaluation role in the longer term as Scotland strives to meet emissions targets under the Climate Change Bill / Act.

Composition and membership

The Commission should include trade union, community and environmental members, as well as representatives of business and local government. It should be chaired by someone who has the confidence of the trade union and environmental movements. Commissioners should be people who are committed to just transition as well as being able to speak from and report back to their sectors.

Secretariat and Resources

It is essential that the independent commission has the support of an independent secretariat which can co-ordinate its meetings and support its activities. The capacity to commission any research, organize events or facilitate consensus-building will depend on it having a budget of sufficient scale.

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