

NFLA Policy Briefing No.219



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Subject: Towards 'Just Transition' in Scotland - an idea that is timely across the UK & Ireland

i. Overview of report

This Policy Briefing has been commissioned by the NFLA Scotland Forum and drafted by the NFLA Scotland Policy Advisor following a report of the Scottish Just Transition Commission. NFLA warmly welcomes it work and sees its application as necessary not just for Scotland, but also for England, Wales, Northern Ireland, the Republic of Ireland, indeed much of the industrialised world. The report strongly argues for similar commissions being developed by the UK Government, the devolved Welsh and Northern Ireland Governments, the Irish Government and for consideration in the European Union.

With climate change necessitating a move away from harmful fossil fuels, and the nuclear industry in the UK moving predominantly towards decommissioning and safe radioactive waste management, there is a real need to consider how to transfer jobs and skills from these and other work areas into the likes of the renewable energy, energy efficiency, energy storage and smart energy sectors in a fair, just and equitable manner. This briefing considers the ideas of the Scottish Just Transition Commission and of other bodies in finding ways to encourage a 'just transition'. NFLA encourages this report to be considered by elected members, local government officers involved in work and skills policy, economic development and regeneration, climate change adaptation and mitigation policy. It is also of interest to trade unions, Local Economic Partnerships and City Regions.

1. Introduction

After extensive international trade union lobbying the 2015 Paris Climate Change Agreement included reference to "a just transition of the workforce and the creation of decent work and quality jobs".

According to the Public and Commercial Services Union most definitions of a 'just transition' refer to:

"...a framework developed by trade unions and environmental campaigners which encompasses a host of social interventions essential for protecting workers jobs and livelihoods when economies are shifting from their dependency upon the burning of fossil fuels to a zero-carbon sustainable economic model." (1)

The Scottish Government's Just Transition Commission defined it far more widely as policies designed to ensure 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". Delivering a just transition for Scotland is not just about managing the impact on workers in carbon-intensive sectors. It's also about recognising the transition as an opportunity to advance a range of social justice issues, including the need for improved housing, the health and wellbeing of people, and creating and sustaining jobs across the economy. (2)

THE LOCAL GOVERNMENT VOICE ON NUCLEAR ISSUES: WORKING FOR A RENEWABLE, SAFE & RENEWABLE FUTURE

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Following the extraordinarily hot June in North-west North America and parts of central Asia, and some the most devastating floods to hit Europe in July, there are reports that climate scientists are becoming increasingly concerned about tipping points triggered by global warming beyond which humans will not survive, and that these thresholds are far closer than most people actually realise. (3)

Meanwhile the International Energy Agency (IEA) has declared that no new fossil fuel resources, other than fields already approved, are required to reach net-zero annual emissions of carbon dioxide by 2050. The IEA is sending a clear signal that investment in fossil fuels needs to stop and any further exploration for new reserves is likely to be a waste of money. (4) There is a clear danger that fossil fuel industries may be transitioning to chaos, rather than a just transition to a net zero economy. The Financial Times says the oil industry can grow old gracefully or leave a chaotic legacy:

“If we are to achieve the target of limiting the rise in global temperatures to 1.5 degrees Celsius, retirement of much of the world’s oil and gas production over the next two to three decades now looks unavoidable. But, so far, notwithstanding growing investments in renewables by some oil and gas companies and collaborations such as the Oil and Gas Climate Initiative, the sector’s efforts to tackle its emissions trajectory are decidedly patchy.”

The industry now has the opportunity to take back the initiative and plan more ambitiously for retirement. (5)

Professor Sven Teske of the Institute for Sustainable Futures in Sydney, whose own analysis shows that carbon emissions from existing projects are still far too high to stay on course towards meeting the goals of the Paris Agreement says:

“National governments must establish binding limits for the extraction volumes for coal, oil and gas. A just transition for workers from the fossil to the renewable energy industry is essential. Any new investments in coal, oil and gas projects are not in line with the Paris agreement and would most likely be stranded due to favourable economics for renewables – especially solar and wind.” (6)

2. Solutions available now

One problem with the IEA’s roadmap for an “historic surge” in renewable energy investment is that it still relies heavily, after 2030, on technologies that are currently only at the demonstration or prototype phase. Sven Teske strongly disagrees with their approach: “The main technologies to decarbonise the global energy system are market-ready, and they are either already cost-competitive or will be within the next five to 10 years.” (7) And Mark Jacobson, author of “100% Clean Renewable Energy and Storage for Everything” says we do not need miracle technologies like carbon capture, direct air capture, modern bioenergy or modern nuclear power. We have 95% of the technologies we need already – they are not just affordable now, but they continue to get cheaper (and better) at a stunning pace. (8)

3. Green Jobs

Ambrose Evans-Pritchard writing in The Telegraph says the IEA has turned the economics of climate change upside down. Slashing CO2 emissions and switching to renewable energy is not a ‘cost’ or a constraint on rising affluence: it lifts global GDP growth by 0.4% a year over the course of this decade. World output is 4% bigger in real terms by 2030. Net zero does not cost jobs: it replaces five million lost in oil, gas, and coal with eight times as many jobs for engineers, electrical experts, offshore operators, solar technicians, or lithium and rare earth miners, whether directly or indirectly. It does not raise energy costs: it cuts the average bill for households on heating, cooling, electricity, and car fuel from \$2,800 to \$2,300 a year by 2030 in advanced countries. (9)

Research by Ernst & Young (EY) found that the UK’s current pipeline of clean energy projects amounts to 540 rising to 668 when storage, transmission, and distribution projects are added. These will support 438,667 jobs, but it could also rise to 625,000 when other projects are

accounted for. EY notes that the latter figure represents 90% of the jobs lost as a result of the coronavirus pandemic. (10)

4. Retraining for a net zero economy

Aberdeenshire residents, from city and shire, want to use existing skills and natural assets to turn 'the oil capital of Europe' into a green energy and manufacturing hub. The Aberdeenshire climate citizens' jury says the UK and Scottish governments need a vision and a strategy that can realise the potential of a low-carbon Aberdeenshire, with investment and support for training, green jobs, education and new approaches to farming. A government strategy is needed to develop local sectors like hydrogen, wind, and tidal energy, as well as local manufacturing and projects based around the regions' stunning natural assets. A green skills academy will also be needed to provide training and re-training. The jury said: "There is a huge opportunity to build on these strengths, but we need a vision and a strategy to maximise them." (11)

One fly in the ointment is the lack of any kind of a plan to retrain workers in the oil and gas industries, or other industries likely to disappear or change radically as a result of the net zero transition. A report from Robert Gordon University warns of a fall in direct and indirect jobs of 70,000 in offshore oil and gas as daily production drops by 37% by this end of the decade. That figure is expected to be offset by 90,000 new jobs in offshore wind and 40,000 vacancies in other offshore green industries such as hydrogen and carbon capture. The RMT General Secretary Mick Lynch welcomed the report as an important step towards a net-zero carbon world, but it warned workers must not be left behind. He said: "Our members are not hearing anything from employers on how they can retrain for work in offshore wind and other green growth sectors, despite heavy investment in UK offshore wind farms. This report is further evidence that industry needs to put its money where its mouth is and work with trade unions on a just transition for all." (12)

The UK's transition away from fossil fuels to renewable power is also being put at risk by barriers facing oil and gas workers looking to move into green jobs, according to Friends of the Earth Scotland, Greenpeace and Platform. They carried out a survey of 600 offshore workers and found that those looking to move from the fossil fuel industry into green jobs in renewable power currently face costly training fees, discouraging them from making the transition. The campaigners are calling on the government to introduce an "offshore training passport" scheme to allow workers to move freely between jobs in oil and gas and renewables without having to repeat past training. (13)

The conservative 'Onward' thinktank looks more widely than the oil and gas industry. It points out that climate change goals can only be achieved through a labour market revolution in skills and training, which shows no sign of happening any time soon. Its report, 'Qualifying for the Race for Net Zero', estimates that 3.2 million workers, employed in sectors such as construction, manufacturing and transport, will soon need to upskill or retrain. A new vocational infrastructure will be required to reverse decades of neglect of the further education sector, and to open up traditionally male-dominated areas of skilled manual work to women. The report's authors calculate, for example, that although the need to retrofit homes and decarbonise domestic heating will create an estimated 1.1m new jobs by 2030, only 5,700 workers a year are training in these areas. They recommend, among other measures, tax incentives for employers to offset costs of retraining and new "net zero technical institutes" to act as prestigious centres of vocational excellence. (14)

5. UK undermining its own credibility at COP26

Meanwhile, the UK Government continues to undermine its own position at the crucial COP26 climate talks in Glasgow set for November this year. Prospective oil projects in the North Sea with the capacity to produce 1.7 billion barrels will avoid a new test designed to assess their impact on the climate crisis. The forthcoming "climate compatibility checkpoint" is designed to determine whether they are consistent with the government's climate commitments. The test will be applied before projects are given an initial licence. But the government has confirmed that previously licensed projects will not have to meet it. Campaigners described this as a major loophole. (15)

One project which was licensed for exploration in 2001 and 2004, so not covered by the climate checkpoint and looks set for approval is the ‘Cambo’ heavy crude field off the coast of the Shetland Islands. This would extract 150 million barrels of oil — roughly equivalent to operating 16 coal-fired power stations for a year. Setting up and powering the oil rig will emit more than three million tonnes of carbon over the project’s lifetime. The oilfield is expected to operate until 2050. Caroline Rance of Friends of the Earth Scotland, said: “It is simply not compatible with the science to go ahead with exploiting these fields and the fact that it is even being considered shows the current system is not fit for purpose.” (16)

Sam Chetan-Welsh of Greenpeace UK said: “If Boris Johnson turns up in Glasgow with a pipeline of climate-wrecking projects ready to be approved, the stench of hypocrisy will be smelled worldwide.”

IPPR has called on the UK and Scottish governments to phase out oil and gas production through a series of declining five-year targets, and to scrap the controversial policy that calls on North Sea companies to extract as much oil and gas as they can from the ageing basin. Denmark has ended to new oil and gas exploration, and France is phasing out exploration and production on its mainland and overseas territories by 2040. New Zealand is bringing an end to all new oil and gas exploration permits. (17)

6. Towards a global ban on fracking

In the Republic of Ireland campaigners are seeking to persuade the Irish government to call for a global fracking ban at the UN General Assembly in mid-September, just six weeks before this year’s UN climate conference, COP-26, convenes in Glasgow. Ireland is uniquely well-positioned to lead the effort against fracked gas, with a “strong legislative ban on fracking” already in place, an import ban coming up, and legislation recently introduced to pull the state investment fund out of fossil fuels. The Irish Government’s Cabinet has approved a legislated ban on new oil and gas exploration licences, though it still plans to honour existing licences—to the relief of the country’s offshore operators and to the dismay of its Labour opposition. (18)

Despite a bill published earlier this year proposing to ban new petroleum authorisations, the owners of the licences near the Corrib gasfield, off the coast of Mayo, and the Barryroe gas and oil field, off Cork, will be able to proceed with plans for new wells, as the amendment to the 1960 Petroleum and Other Minerals Development Act does not block developments of licences that have already been issued. (19)

The company that initially tried to frack in the Republic of Ireland has now applied for a fracking licence in Northern Ireland, where legislation to ban fracking has still not gotten across the line. (20)

7. World losing patience with oil industry

The world’s patience with the fossil fuel industry is wearing thin. In May, a Dutch court ordered Shell to cut its global carbon emissions by 45% by the end of the decade. The same day, in Houston, an activist hedge fund forced three new directors on to the board of the US’s largest oil firm, ExxonMobil, to address climate issues. Investors at Chevron also voted to cut emissions from the petroleum products it sells. (21)

An unprecedented wave of lawsuits, filed by cities and states across the US, aim to hold the oil and gas industry to account for the environmental devastation caused by fossil fuels. Coastal cities struggling to keep rising sea levels at bay, midwestern states watching “mega-rains” destroy crops and homes, and fishing communities losing catches to warming waters, are now demanding the oil conglomerates pay damages and take urgent action to reduce further harm. But, even more strikingly, the lawsuits are underpinned by accusations that the industry severely aggravated the environmental crisis with a decades-long campaign of lies and deceit to suppress warnings from their own scientists about the impact of fossil fuels on the climate and dupe the American public. (22)

8. **Scotland's Just Transition Commission**

This is the background which led the Scottish Government to set up its Just Transition Commission in early 2019, with a remit to provide practical and affordable recommendations to Scottish Ministers. Its final report was published at the end of March 2021. (23) The top recommendation is that "pursuing an orderly, managed transition to net-zero that creates benefits and opportunities for people across Scotland" should become a "national mission" for Scotland. (24)

Chair of the Commission, Professor Jim Skea says: "One of the main messages emerging from our work has been that fairness and climate ambition must go hand in hand. We are in no doubt that climate action can bring multiple benefits, including quality green jobs and improved social inclusion. But past experience leaves us in no doubt that for these benefits to be realised, we must plan and be prepared to take decisive action."

The Commission says a just transition means policies designed 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. For the Commission delivering a just transition for Scotland is not just about managing the impact on workers in carbon-intensive sectors. It's also about recognising the transition as an opportunity to advance a range of social justice issues, including the need for improved housing, the health and wellbeing of people, and creating and sustaining jobs across the economy.

As has been stressed by various climate assemblies and juries, the Commission agrees that progress towards net-zero will not be achieved without broad-based support and buy-in of workers and communities. Building social justice into climate action should not be seen as a burden, or an optional element of the transition: "A successful transition will need to be underpinned by a strengthening of social partnership working in Scotland, with Government, business, trade unions and communities coming together to work towards a shared goal."

The Commission has 4 key messages:

1. Pursue an orderly, managed transition to net-zero that creates benefits and opportunities for people across Scotland. Delivery of this must be a national mission. Just transition roadmaps will give direction and confidence, driving investment that brings jobs, skills and value.
2. Equip people with the skills and education they need to benefit from the transition.
3. A just transition is shaped by Scotland's citizens, not imposed on them - empowers and invigorates communities and strengthens local economies.
4. Share benefits widely and ensure burdens are distributed on the basis of ability to pay. 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.

9. **An orderly managed transition**

Commission Chair, Professor Jim Skea points out that failing to deliver an orderly transition increases the risk of injustice as the Commission learnt on its first outside visit to Kincardine, where the Longannet coal-fired power station closed in 2016. After the closure a government "task force" was set up to help secure jobs for its workers, (25) but little consideration was given to the impact on the nearby village of Kincardine in Fife. The Commission's Interim Report (26) warned of social injustices if such changes were not properly planned. The closure of Longannet four years ago contributed to cutting carbon emissions but hundreds of jobs were lost in an area which relied on the power station workers. The oil and gas and farming sectors are likely to experience significant change over coming years because of the transition to net zero.

Responding to the interim report, Climate Change Secretary at the time, Roseanna Cunningham, said: "As the pace of our transition increases, ensuring fairness will become ever more important. While the scale of the challenge posed is in no doubt, the Commission's report is also clear - there are significant opportunities for Scotland."

The Commission said Scotland has not managed to maximise the opportunities of decarbonisation, as the recent loss of contracts to manufacture turbines for a wind farm off the Fife coast showed. A failure to plan ahead with strategic investment and policy framework in support of the wind power industry dates back to the 1980s. The Commission is particularly keen that the Government learns from this failure to create a strong local manufacturing supply chain for the offshore wind industry. This is particularly significant because the operation of offshore wind will support far less labour than oil and gas production – a situation which threatens to undermine trust in efforts to pursue a just transition amongst Scottish workers and their communities.

The reasons for failing to create a thriving manufacturing base include a lack of investment in fabrication and construction alongside a lack of progress towards improving ports and harbour infrastructure identified over a decade ago. The Commission heard concerns about an uneven playing-field, with Scottish based companies competing against overseas manufacturers who are often state-subsidised. The Contracts for Difference price stabilisation mechanism, which while incredibly successful in driving cost down, neglects domestic capital content and employment standards. The UK Government has consulted on changes to the CfD mechanism. This offers some hope, but direct government support would still be needed to make Scottish business competitive. The current ScotWind leasing round offers another possible lever to help nurture the domestic supply chain, though its resolution is uncertain following the recent announcement to delay the process. (The UK Government has now confirmed that offshore wind developers will be stripped of subsidy contracts if they fail to deliver on their promises to use British manufacturers. (27))

The deployment of offshore floating wind turbines and tidal technology, whilst slightly further into the future, offers promise given the many crossovers with oil and gas. From experience, we cannot simply assume this promise will materialise. Scotland currently hosts two demonstrator projects for floating wind, but the supply chain content tells the same story as for offshore wind – overseas content in manufacturing and construction, with domestic content restricted to operations and maintenance. The situation is similar for other emerging technologies.

10. Training and Skills

Although carbon is the focal point the need to improve training and skills goes right across the education system. It has been estimated that demand for skills linked to about 10% of jobs in Scotland will decline during a transition to net zero. Demand for other skills will grow. The skills system needs to be able to handle this.

11. Empowering Our Communities

Most people experience climate policies at the local level, so placing power in the hands of people at a local level not only makes sense, but it is essential if we are going to avoid new inequalities.

Interestingly, the Commission calls for the speedy conclusion of the Local Governance Review, taking bold action to agree concrete steps that will support participation and local democracy, and a recognition of the role of Community Councils as a key part of our social infrastructure, and investigate the potential for increased powers and resources to be directed at community level to ensure any new arrangements support for wider participation.

“Without finding ways to give greater power to communities over decisions that affect them, opportunities to find the most effective solutions for local circumstances will be missed ... Any efforts to increase participation in climate policy are likely to need strong, empowered, local democracy across the country ...”

This echoes earlier work by Simon Roberts of the Centre for Sustainable Energy (CSE) in Bristol who says, because of the scale of change that is going to be needed to meet carbon objectives, we are going to need more or less everyone in society to change the way they use energy. If we have not got meaningful public consent for these changes, they will not happen. CSE believes that obtaining ‘informed consent’ needs to be done at a local level. It has found that if you bring a group of people together in a locality and ask them ‘how they are going to make a contribution to the changes that need to happen’ they come up with sensible answers. The conversations need

to start outside of any specific proposals. Start by asking people what they value about the place they live in. We need to think about how we can ensure that people on low incomes can also achieve the benefits which the energy transformation is going to offer and protect them from some of the disadvantages that might emerge. (28)

The Commission also wants the Scottish Government to learn from the experience of deliberative forums such as Scotland's Climate Assembly, and to apply the lessons widely across the development of policies for tackling climate change. In particular, the Scottish Government should use the final report of the Climate Assembly as a tool for understanding the essential principles that need to underpin fair and just climate action. Once developed these should be embedded across the policy development process to help drive a just transition, particularly leading up the next full statutory Climate Change Plan, due for publication in 2023. This will be the first Plan that, by law, must contain an assessment of the impact of emission reduction policies on workers and communities, and set out actions to manage these impacts.

The Commission recommends that the Scottish Government should empower and resource local authorities to deliver a just and green recovery in recognition of the need to rebuild and strengthen local economies.

It should establish the delayed Publicly-Owned Energy Company with a capacity to provide technical assistance to local authorities and social enterprises looking to invest in energy projects. There is a window of opportunity with the passage of the recent Heat Networks Bill for this to have genuine social impact.

Recognising that finance is often a barrier to driving forward local action, a number of actions should be taken to help finance flow to community level projects. The Government should explore financial vehicles that could facilitate investment in small-scale local climate action as part of community wealth building approach, including working with credit union bodies, social investor organisations, and Development Trust Association Scotland. The Commission looked at councils and social enterprises taking the lead and combining climate action with social impact including Aberdeen Heat and Power, North Ayrshire's approach to a green recovery based firmly on Community Wealth Building principles, and East Ayrshire's National Energy Research and Demonstrator. Growing this "social economy" should be a fundamental part of delivering a just transition in Scotland.

The Commission says the Scottish Government should work with local authorities to explore the potential for new innovative funding models, such as Community Municipal Bonds, that allow people to contribute towards climate action in their area and explore the scope to coordinate the aggregation of climate change projects across local authorities so as to offer suitable scale to investors.

12. Share Benefits Widely and Burdens Shared on Basis on Ability to Pay

Recommendations here focus on consumers. The Commission wants Consumer Scotland to have a role in tracking how decarbonisation is affecting consumers. Public Sector Pension Funds and other bodies should follow an emerging trend of positive stakeholder engagement around the companies the funds invest in.

The Commission highlights the potential for new and exciting innovation in the consumer market for energy. New and emerging ways of buying and selling electricity (such as time of use tariffs and peer to peer trading) have the potential to offer savings for consumers. Such innovation will be vital for delivering a net-zero electricity system that is affordable. But these changes must be fair. If left to the market, such innovation comes with potential for new injustice, and possibly even higher costs for some.

The Commission says its work has shown the value of social partnership with people with different world views representing different constituencies getting together to debate trade-offs and prioritise action.

The Scottish Government's ambition is to reduce car miles travelled 20% by 2030. But car journeys are continuing to rise exponentially, and the number of motor vehicles registered in Scotland is at an all-time high of around 3 million. An electric vehicle-centred transition could have an adverse effect on economically disadvantaged communities, further embedding existing inequalities. Any money invested in expanding and improving public transport will disproportionately benefit these groups, and therefore actively address existing inequalities. The Commission recommends a pilot project for free public transport. (29)

The Scottish government's generous electric car financing scheme might grate a little for those struggling to heat their homes. Interest-free loans of up to £28,000 to cover the cost of purchasing a new pure electric vehicle are available. (30) There are also various points where you can charge the car at no cost. Some councils waive parking charges for EVs, others are discussing this. Scotland has major problems with fuel poverty, so some are asking whether we should be giving the already privileged such generous perks without helping other travellers? (31)

13. Driving the Just Transition Agenda Forward

The Commission has thought carefully about what is needed beyond the life of the Commission to drive the agenda forward in Scotland and ensure that 'Just Transition' remains a key organising principle for climate policy. The Commission has identified three big recommendations:

1. The new Scottish Government should make the Deputy First Minister or at minimum a Cabinet Secretary responsible for a Just Transition to Net Zero.
2. Establish a capacity for independent scrutiny and advice on implementing the Just Transition.
3. COP26 represents a unique opportunity to drive forward the Just Transition agenda. The Commission calls for the Scottish Government to launch a national call for action at COP26 which brings together business, trade unions, civil society with a commitment to support Just Transition principles in Scotland.

In all, the commission came up with 24 separate recommendations, intended to be practical, realistic and affordable, as ministers requested. Commissioners were pleased to see that their recommendations were adopted almost wholesale in the manifesto of the Scottish Government elected in May. Scotland now has a minister for just transition (Richard Lochhead) located within the economy and finance portfolio. (32)

The governing SNP's 2021 Election Manifesto says:

"We will implement the recommendations of the Just Transition Commission and will maintain the commission to advise us throughout the next Parliament ...we will appoint a Minister of Just Transition with responsibility for overseeing a 'national mission' of fairness and opportunity as we move to net zero. To deliver this we will work with trade unions, businesses and communities, to bring forward sectoral Just Transition plans, charting the transition of sites, industries, regions and communities. We will develop a robust monitoring framework to sit alongside these sectoral plans which will measure our progress towards a truly fair and just transition to net zero, based on wellbeing, sustainability and fair work principles." (33)

The NFLA Scotland encourages the new Scottish Government to move quickly and incorporate all of the core findings and recommendations of the Just Transition Commission. It believes they are also an excellent blueprint for other parts of the UK, as well as in Ireland.

14. UK Green Jobs Taskforce

At the wider UK level, a Green Jobs Taskforce was launched on 12 November 2020 to set the direction for the job market as attempts are made to transition to a high-skill, low carbon economy. It was a part of the UK Government's Ten Point Plan for a Green Industrial Revolution. The group, made up of members from industry, trade unions, and the skills sector was asked to look at the following challenges and advise government, industry and the skills sector on how to realise the UK's ambitions for green jobs:

- the skills needed to drive a green recovery from the COVID-19 pandemic;
- the skills needed to reach net zero greenhouse gas emissions by 2050;
- how the UK can ensure green jobs are good jobs, and open to all;
- how workers in high carbon-sectors can be supported to transition to the new green economy.

The Green Jobs Taskforce Report was published on 14th July 2021. (34)

The Report says the Government's Ten Point Plan for a Green Industrial Revolution will support up to 250,000 green jobs in 2030, by seeking to develop long-term advantage for the UK in new low carbon sectors. Investments in these sectors are expected to drive funding and jobs across the UK, from electric vehicle manufacture in the midlands, to construction and installation of offshore wind farms around the coast and the retrofitting of homes across the country. The Government's ambition, however, is to have 2 million green jobs by 2030.

The conclusion reached by the Taskforce's assessment of the evidence is that, if the UK is to grasp the opportunities afforded by a green industrial revolution, it must develop a comprehensive and holistic view of the green jobs and skills challenge.

The report makes the following main points:

1. To fully capitalise on the significant economic opportunity presented by net zero, the UK needs a comprehensive and ambitious plan which leverages sustained net zero investment. A detailed net zero strategy, published before COP26 should set out the policy measures to be taken over the next five to ten years to create market demand, unlock the public and private investment needed and, open pathways to green skills, education and training.
2. There will be significant increases in demand for green skills. Good practice should ensure people from all backgrounds can access green jobs.
3. As a signatory to the Paris Agreement, the UK must manage the transition to net zero in an inclusive way, so that those affected workers have a voice in shaping the transformation. From a skills perspective, this means that no worker should be left behind by the training system.

Of course, as this is a report for the UK Government, the sectors covered include nuclear power as it considers this to be low carbon. NFLA sees most of the nuclear sector as moving towards decommissioning and safe radioactive waste management. It has previously noted ways to revitalize the local economy around Hunterston, where the 'B' nuclear station will close at the end of 2021. As Dungeness, Hinkley Point B and other aging reactors close down it encourages a similar approach is considered for the future. (35) NFLA is opposed to new nuclear developments, which it sees as an expensive and unnecessary distraction from the more pressing and realisable moves towards a renewable energy, energy efficiency and energy storage systems.

Globally the transformation to a low carbon economy could require around \$64 trillion investment in power and grid infrastructure, and between \$13 trillion and \$66 trillion in hydrogen manufacturing, transport, and storage. The Energy Innovation Needs Assessment (EINA) identifies £27bn of Gross Value Added (GVA) opportunity in 2050 from decarbonising the UK domestic market by 80% compared to 1990 emissions levels, supporting around 300,000 jobs. The EINA suggests that the UK could also capture export-related opportunities, potentially adding £26 billion to UK GVA and supporting approximately 200,000 jobs in 2050. The Taskforce says nuclear, road transport, and CCUS have the largest job opportunities, with offshore wind already demonstrating potential for creating green jobs.

15. Ireland and Just Transition

Similar to the UK, the Irish Government's Climate Action Plan commits to delivering a 'just transition'. The Government has asked the National Economic and Social Council (NESCC) to examine the transition to a low-carbon future and provide recommendations, in order to better understand and prepare for a 'just transition'. The Department of the Environment, Climate and Communications has established a Just Transition Fund to ensure that workers in the peat industry and the Midlands as a community are fully supported. (36) The Minister appointed Kieran Mulvey as Just Transition Commissioner in November 2019 to engage with stakeholders in the Midlands region and recommend the essential elements of a just transition. (37)

Two major peat-fired power stations in the Midlands owned by ESB – West Offaly Power and Lough Ree Power – ceased generating electricity at the end of 2020 in response to an earlier An Bord Pleanála (Ireland's national independent planning body) decision. This decision had an enormous repercussive effect upon Bord na Móna, its employees, Local Authorities and local

communities. Bord na Móna is a semi-state company in Ireland which developed peatlands in the Irish Midlands to achieve security of energy supply. Bord na Móna was once the largest employer in the Midlands. It has recently declared that the company will no longer be harvesting peat and is now positioning itself as a climate solutions company under its “Brown to Green Strategy”. (38)

Local Authorities, State Enterprises, local development bodies, the private sector, educational, training and third level institutions have all agreed to work together in a “whole of Midlands approach”. The reconstituted Midlands Regional Transition Team (MRTT), with the involvement of eight Local Authorities, has commenced the roll out of the Just Transition Commission’s recommendations.

16. Conclusions

Climate scientists are becoming increasingly concerned about tipping points triggered by global warming beyond which humans will not survive, and that these thresholds are far closer than most people realise. The International Energy Agency (IEA) has declared that no new fossil fuel resources, other than fields already approved are required if we are going to reach net-zero annual emissions of carbon dioxide by 2050. All governments need to establish binding limits on fossil fuel extraction and plan a just transition for workers from the fossil to the renewable energy industry.

The Scottish Government’s Just Transition Commission’s recommendations are designed to ensure 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”. As such, it is not just about managing the impact on workers in carbon-intensive sectors, but also about recognising an opportunity to advance a range of social justice issues. The Scottish Government has accepted the Commission’s recommendations. NFLA encourages the Scottish Government to now implement them into policy.

Unfortunately, there does not currently seem to be any kind of a plan to retrain workers in the oil and gas industries, or other industries likely to disappear or change radically as a result of the net zero transition. Oil workers are not hearing anything from employers on how they can retrain for work in offshore wind or other green growth sectors.

The Scottish Government (and the other governments of the UK and Ireland) needs to learn from the failure to create a strong local manufacturing supply chain for the offshore wind industry, so that the transition from fossil fuels to renewable energy is more orderly. The Commission calls for bold action to agree concrete steps that will support participation and local democracy, and investigation into the potential for increased powers and resources to be directed at community level to ensure any new arrangements support for wider participation. The Commission wants to see the benefits of the transition shared widely and burdens shared on the basis on ability to pay.

The Irish Republic is seeing the transformation of Bord na Móna, once the largest employer in the Irish Midlands which developed peatlands for burning in peat-fired power stations. Bord na Móna is no longer harvesting peat and is now positioning itself as a climate solutions company. NFLA welcomes this highly positive development. The Irish Government has established a Just Transition Commission and a Just Transition Fund. The NFLA hopes these positive developments become strongly embedded over the decade.

The UK Government has started some positive developments in this regard, and NFLA encourages it to embed the ‘just transition’ concept into policy. There is much to be learnt from the Scottish Just Transition Commission and NFLA call on English, Welsh and Northern Irish versions of it from the UK, Welsh and Northern Ireland Governments. Climate change is necessitating unprecedented changes in the energy and other sectors of our economies. Without environmental justice and equity being a part of the transition to ‘net zero’ large parts of each nation will potentially see local economies devastated and many left unemployed with difficult challenges to transfer to the new jobs on offer. A ‘Just Transition’ is essential across all parts of the UK and Ireland.

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