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The Scottish Just Transition



Authors & Acknowledgements



Rashi Agarwal
2nd year
MA Economics with
Environmental Studies



Harry Carstairs
2nd year
PhD in Atmospheric &
Environmental Science



Luiza Costa
4th year
MA International
Relations



Rachel Dunn
3rd year
MA Philosophy
and Psychology



Gideon Leibowitz
3rd year
MA Government, Policy
and Society



Lila Sakata
2nd year
BSc Environmental
Geoscience

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Contents

Executive Summary	3
Introduction	4
Research Methods	5
Background	6
The green transition	6
Economic inequality	7
Existing green employment funds	8
Recommendations	9
1. The need for a regional just transition and improvement of existing economic development schemes	9
Key Findings	9
Suggested Approach	9
2. Improvement perspectives for the Green Jobs Fund	10
Key findings	10
Suggested approach	11
3. Promotion of sustainable green businesses	11
Key findings	11
Suggested Approach	14
Conclusion	15
Next Steps	16
References	17
Contact	20

Executive Summary

Scotland has committed to reaching net-zero carbon by 2045. To achieve this goal, large numbers of green jobs will need to be created, and many others from more polluting industries will be lost or undergo changes. This restructuring of the labour market provides an unprecedented opportunity to address multiple inequalities and empower individuals to take meaningful action on climate change through their work. However, the current plans set out by the Scottish Government for a ‘green jobs transition’ are not ambitious enough and fail to place equality at their centre.

The Scottish Government is aiming to create 100,000 new jobs in green sectors, having recently pledged £100 million for a *Green Jobs Fund* and £25 million for a *National Transition Training Fund* (NTTF). The *Green Jobs Fund* investment will be split equally between public bodies such as Scottish Enterprise and in supporting businesses. Meanwhile, the NTTF is primarily a response to the large numbers of people facing redundancy following the economic downturn associated with COVID-19. Workers at risk of becoming unemployed will be given access to an industry recognised qualification, in order to help them regain employment.

While these funds are a step in the right direction, their magnitudes are a tiny fraction of the funding allocated to supporting businesses during COVID-19, and therefore do not represent the seriousness and scale of the climate emergency. In addition, they do not take into account the divergent needs of regions across Scotland, or provide a pathway for women, economically oppressed and traditionally under-represented ethnic groups to gain power in the job market.

Our vision is a larger and more adaptable Green Jobs Fund, and the tailoring of economic development schemes to specific regional demands, in line with the Just Transition. For this to happen, the following steps should be taken:

A regional just transition and improvement of existing economic development schemes. A critical and realistic assessment of jobs should be made to both scale-up and scale-down sectors in line with the Just Transition and net-zero target. The Just Transition should be included more strongly into the investment strategies of the Regional Growth Deals (RGD) and City Region Deals (CRD), with CRD funds divested from projects hindering the energy transition. The ‘green’ nature of education, health and caring jobs should also be emphasized.

Improvements to the Green Jobs Fund, including more rapid investment and the conditioning of government assistance on companies’ commitment to equality, diversity and environmental sustainability.

Promotion of sustainable green business opportunities, with particular support from anchor institutions. Anchor institutions, which often have supply chains deeply embedded within local economies, should divest from high-polluting suppliers and direct their spending towards zero carbon suppliers. Furthermore, as anchor institutions typically have considerable access to land and capital, they are in an ideal position to provide patient capital funding to up-and-coming low-carbon businesses. Funding and investing in local, sustainable business initiatives will broaden the scope of Just Transition from energy to other sectors of the economy.

Introduction

This report has been written out of optimism for a Just Transition that encourages a greener, fairer future through justice and equity for workers in the shift to a sustainable economy. We are confident that Scotland can be a world leader in the fight against climate change, will see a strong economic recovery following the challenges of COVID-19, and can become a place where every person has an equal chance of gaining employment that aligns with their vision of the future.

There are good reasons to be optimistic. Scottish policies on environment, climate change and social equality are taking shape. In its strong history of combatting climate change, Scotland has reduced greenhouse emissions by 45.4% between 1990-2018 (*Section B. Results-Net Sources of Scottish Greenhouse Gas Emissions. In: Greenhouse gas emissions 2018: estimates, 2020*).

The Scottish Government also took a leading stride in 2019 by setting legislation for reaching net-zero emissions by 2045. To facilitate the shift towards decarbonisation, the Government has set specific, legally binding targets of reducing carbon emissions 75% by 2030 and 90% by 2040 on its path towards the net-zero target of 2045 (*Climate change, no date*).

However, significant questions remain around how such ambitious climate change targets can be achieved without severe disruption to Scottish livelihoods and wellbeing. Without careful planning, upheavals in infrastructure, energy and jobs could risk leaving some behind – the history of coal mine closures in the Thatcher era serves as an example of this, albeit on a smaller scale. Not only this, but decarbonisation will need to be *economically* sustainable if it is to succeed: while carbon emissions decreased during the COVID-19 pandemic, they did so only at great costs, which hit the poorest in society hardest.

These concerns are what motivated us to research the idea of a ‘Just Transition’ – a shift to a low carbon country that avoids the pitfalls of inequality and works hand in hand with economic recovery and sustainability. We wish to present the intersection of climate action, post-pandemic prosperity and equity in the job market as an opportunity for positive change on all three fronts.

At the time of this publication (March 2021), the Trades Union Congress finds that BAME workers in the UK are more likely to have been unfairly turned down for a job (*TUC, 2021*). If measures are taken to combat structural racism in the allocation of new green jobs, these kinds of headlines could turn into history. While today our financial institutions continue to invest in fossil fuel extraction, if governments and anchor institutions lead the way with divestment and green finance, this kind of short-sightedness could become yesterday’s economy.

In the Background section of this report, we present in more detail our understanding of the green transition and evidence of the economic inequalities that exist in Scotland, as well as a description of the policies currently in place. Following this, the Recommendations section contains our high-level analysis of how these policies may be improved, detailing our key findings and suggested approaches. These are summarised in the Conclusions section. Finally, in the Next Steps section, we reflect on how our research should be taken to the next level, either within or outside of the Buchanan Institute.

Research Methods

This policy proposal is rooted in an initial enquiry into the challenges of environmental inequality in Scotland. Discussions on the various issues of unequal access to green spaces, food insecurity, landfills, and energy transition enabled us to identify the key challenges and opportunities that lay ahead of us. With the aim of proposing a more inclusive and fair transition to a low-carbon Scottish economy, we delved into secondary qualitative and quantitative research. We used the open datasets from the Scottish Government and national reports such as the Just Transition Commission, Scottish Budget, and Scotland's 2018-2032 Climate Change Plan. We also looked into the wider policy landscape through publications by advisory bodies to Scottish Ministers such as the Fair Work Convention, and interviews and articles written by environmental organisations such as Friends of the Earth. This allowed us to access a broad range of credible data and engage with different perspectives at a regional and a national level.

We undertook a secondary research analysis not only because it aligned with the goals of our policy proposal but also because of its accessibility. Due to the COVID-19 regulations, we were unable to fully engage with the stakeholders we identified during the initial stages of the project. However, we kept ourselves up to date with the developments in the Scottish Budget and enhanced our findings and identification of the main trends, opportunities and challenges of environmental inequality in Scotland at each stage of our research.

Following the earliest stages of our project, we sought to get a more complete understanding of the Scottish Just Transition and the wider energy transition through various readings and thorough background research, which we split between each of us. More specifically, we looked into the need for an energy transition from a scientific perspective; the history of the just energy transition in Scotland and the wider UK; and current employment inequalities in Scotland and their social, gender and racial patterns. We also investigated the impact of the COVID-19-induced economic crisis on these existing inequalities and identified differential impacts depending on the geographical region and employment sector. While looking further into redundancy help schemes such as the National Transition Training Fund and investigating opportunities for improvement, we observed a strong consideration of equity, inclusivity and sustainability in the management of such redundancy issues. We acknowledged Scotland's efforts on this matter and chose to simply include it in our background research as opposed to our recommendations, as initially expected.

Through further research into the identified avenues for recommendations, we were able to critically assess employment transition funds, Scottish green COVID-19 recovery policies, and pre-pandemic policies regarding regional development and supply chain management. We did so via secondary research as detailed previously, including reports from government advisor groups such as the Just Transition Commission and reading into international case studies (especially for the analysis of sustainable business practices). The case studies related to anchor institutions and speculated how these could be applied in Scottish regions.

Background

The green transition

“Net zero isn’t a slogan, it’s an imperative of climate physics”

Mark Carney, former Governor of the Bank of England (Carney, 2020)

The science is unequivocal that human activities are driving instability in the Earth’s climate system (Bova *et al.*, 2021), primarily through the combustion of fossilised carbon in the form of coal, oil and gas. The rise of global mean temperatures is roughly proportional to the amount of carbon dioxide we emit. This leads to the concept of a *global carbon budget*: it is the amount more we can emit while constraining temperature rise to the internationally agreed target of 2°C (Stocker *et al.*, 2013).

As one of the nations that pioneered the use of fossil fuels in the industrial revolution—the UK was the world’s biggest emitter for over 100 years (Friedlingstein *et al.*, 2020) – Scotland has a moral imperative to help lead the world out of this crisis. It must do so by pioneering renewable energy technologies and utilising it to drastically cut carbon emissions. As the school strikes *Fridays for Future* showed most visibly, this is now mainstream public opinion, and should therefore translating into political will.

The Scottish Government has set legal targets for the reduction of greenhouse gas emissions in its climate change act of 2019, as shown in **Figure 1**. Most notably, it requires that Scotland reaches ‘net zero’—a state in which emissions are equal to removal of carbon dioxide from the atmosphere—by 2045.

Rapid changes will be required in technology, transport and infrastructure for Scotland to reach these targets. This presents an unprecedented opportunity for job creation and economic growth, at a time when the economy needs it most due to the effects of the COVID-19 pandemic. This climate-orientated economic recovery has been termed the *green recovery*, or the *green jobs transition*.

The Scottish Government has two main tasks in facilitating the green recovery. The first is to provide a suitable business environment and investments, such that the private sector is able to decarbonise rapidly. This has already begun at scale, with millions of pounds of funding allocated to offshore and onshore wind, marine energy, heat networks, bioenergy and low carbon infrastructure, for example (*Renewable and low carbon energy*, no date).

However, the greater challenge will be to ensure that training and reskilling opportunities are available to facilitate the adoption of emerging jobs, as well as adaptation of and scaling up of existing jobs to support a low carbon economy. This is the challenge addressed by the *Climate Emergency Skills Action Plan 2020-2025*, which accompanies funding announcements for a *Green Jobs Fund*, a *National Training Transition Fund* (NTTF), and an *Energy Transition Fund*.

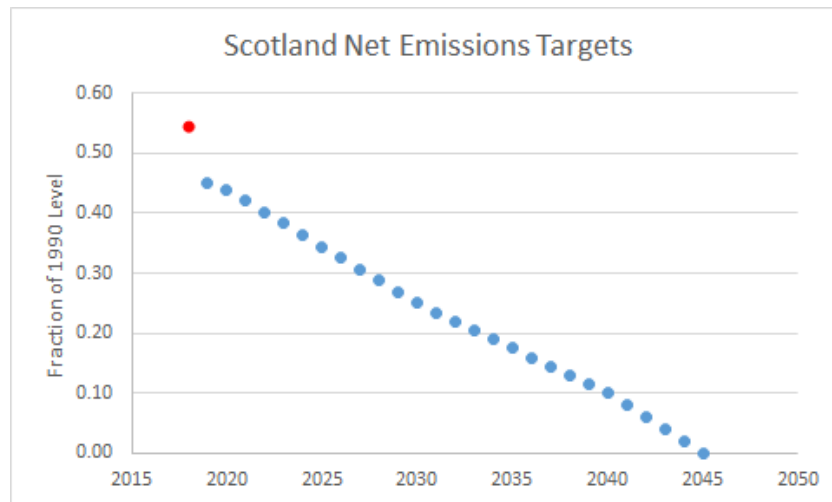


Figure 1 Blue: Annual emissions targets set by Scottish Government to reach 'net zero', i.e. where emissions and carbon removal are equal, by 2045. Red: estimated emissions in 2018 (*Climate Change (Emissions Reduction Targets) (Scotland) Act 2019*, 2019).

As with any economic upheaval, the green transition will not affect everyone in the same way. There is therefore a risk that certain groups and areas will be particularly disadvantaged by the green jobs transition. On the other hand, it is possible to view this as an opportunity to redress existing inequalities in Scotland's labour market. It is this intersection between inequality and the green transition that we believe has been so far overlooked, and is the focus of our report.

Economic inequality

Wealth, income, and employment are unevenly distributed amongst the population of Scotland, and more needs to be done to address the biases that maintain these inequalities.

The youngest workers in Scotland are most concerned about climate change (Gray, 2020). Despite this, they have the least ability to drive change through their work as those aged 18-24 are more likely to earn less than the living wage than any other age group (*Annual survey of hours and earnings: 2018*, 2018). With many of these jobs being in retail and hospitality, job losses due to COVID-19 have disproportionately affected the younger generation.

Meanwhile, the median salary for women is 14% lower than that of men (*Annual survey of hours and earnings: 2018*, 2018), despite the fact that they are, on average, better qualified, having more postgraduate degrees (*Women's Employment Summit: Research & Analysis Commission Evidence Paper*, 2012). As women do the majority of paid and unpaid care work, and make up the majority of lone-parents and part-time workers, they are also more at risk from the social and economic costs of the pandemic (*Briefing: Covid-19 - Gender and other Equality Issues*, 2020).

Furthermore, disability and ethnicity are strong determinants of employment. People with a disability in Scotland are almost twice as likely to be unemployed (*Scotland's Well-being: national outcomes for disabled people*, 2019), and those that are employed face a 15% pay gap (Roache, 2018). In 2018, the non-white population of Scotland had an employment rate of 55%, compared to 75% for the white population (*Regional employment patterns in Scotland: statistics from the Annual Population Survey 2018*, 2019). The ethnicity pay gap in Scotland in 2019 was over 10% (Evans, 2020).

Evidence from the Resolution Foundation has already been published showing that these existing inequalities have only been exacerbated in the last year. Young people, Black, Asian Minority Ethnic workers, and the low paid were all more likely to have lost their jobs during the first wave of COVID-19 (Brewer *et al.*, 2020).

Rather than treating equality, economic recovery after COVID-19 and climate change as separate challenges, we believe that there are strong opportunities to design policy that will tackle all three issues simultaneously. In the next section, we will examine in more detail Scotland's green recovery policies, before analysing how they could be improved to provide this holistic approach.

Existing green employment funds

The Scottish Government has developed three key employment funds to support workers in the transition to a low-carbon economy: the Green Jobs Fund, the National Training Transition Fund, and the Energy Transition Fund.

The Green Jobs Fund (*Protecting Scotland, Renewing Scotland: The Government's Programme for Scotland 2020-2021*, 2020) will see £100 million invested over the next 5 years to help businesses create new, green jobs. £50 million will be invested through public bodies such as Scottish Enterprise; the other £50m will go towards supporting businesses across the manufacturing, tech, and land-based sectors to create jobs through investments in low carbon infrastructure. The Green Jobs Fund will be supported by skills-gap analyses and measures to ensure inclusion of workers in disadvantaged groups, as mapped out in the Climate Emergency Skills Action Plan (*Climate Emergency Skills Action Plan 2020-2025: Key Issues And Priority Actions*, 2020).

To help with skills training, the Scottish Government is investing in a £25 million National Training Transition Fund (*Scottish Government*, 2020b) to offer training opportunities for those unemployed due to COVID-19. Training will focus on skills related to sustainable green jobs linked to Scotland's just transition. Additionally, Scotland's apprenticeship programme will be expanded to support young people in pursuing job and study opportunities related to the natural environment.

In particular, workers in the oil, gas, and energy sectors will be supported by the £62 million Energy Transition Fund (*Scottish Government*, 2020a), which aims to support the sectors' recovery from the economic impacts of COVID-19, as well as the oil and gas price crash. With a focus on North-East Scotland, this package aims to support energy sector workers through creating sustainable jobs, as workers in these sectors have valuable knowledge, skills, and expertise vital to the energy transition.

Recommendations

1. The need for a regional Just Transition and improvement of existing economic development schemes

Key Findings

The transition towards a greener economy will not affect all sectors or regions equally. Rather, a just transition will have to consider each region's distinct industrial, geographic and demographic characteristics to ensure a future level playing field. For instance, Aberdeen City and Aberdeenshire are leading Scottish employers in primary industries, including the oil and gas sector (*Businesses in Scotland: 2020*, 2020). As economies which are more dependent on the high-polluting industries to be soon phased out in a green transition, they need a different approach than manufacturing-dominated regions (North Lanarkshire) or service-focused regions like Glasgow and Edinburgh. This strategy has been highlighted by several policymaking organizations advocating sustainable development, such as the Citizen's Convention on Climate in France (*Les Propositions de la Convention Citoyenne pour le Climat*, 2020) and Brookings in the US (Muro, Rothwell and Saha, 2011).

The Scottish Government has developed Regional Growth Deals (RGD) (*Cities and regions: Regional Growth Deals*, no date) and the City Region Deals (CRD) (*Cities and regions: City Region Deals*, no date) to lay out their plans for regional economic development. The investment funds of the two deals total £1.9bn and cover the entirety of the country, with each deal being "tailored to its region, reflecting its individual economic strengths and weaknesses" (*Cities and regions: City Region Deals*, no date).

Despite acknowledging the need for case-by-case evaluations of development, these schemes have considerable flaws in their current investment structures. Of the several initiatives outlined in each of the six existing City Region Deals, only two projects incorporate elements of sustainable growth towards a just transition: "improving public transport and connectivity" in Glasgow, and "planning for the use of green energy" in Stirling and Clackmannanshire (*Cities and regions: City Region Deals*, no date). Moreover, 72% (£90m) of the investment outlined in the CRD for Aberdeen and Aberdeenshire is being used to fund the region's Oil and Gas Technology Centre. The remaining initiatives have no mentions of social responsibility or sustainability considerations.

If Scotland is to successfully meet its goal of net-zero carbon emissions by 2045, the Government must begin to place sustainable investments at the heart of its regional economic approach, whilst ensuring that workers across sectors and localities are equally safeguarded from labour market risks.

Suggested Approach

1. Both Regional Growth Deals (RGD) and City Region Deals (CRD) should discontinue their funding in high-polluting industries, and instead channel the funds towards sustainable industrial practices. For example, the £90m investment in Aberdeenshire's Oil and Gas Technology from the CRD could be redirected towards investment in renewable energy initiatives and innovation, which will be the bedrock of future employment for workers in the region.

2. The Scottish Government must carefully assess the relevance of initiatives funded through the RGDs and CRDs to the Just Transition and the net-zero 2045 target, and ensure that no public money is spent without considering environmental and social sustainability as an end goal.
3. The Government must outline its current projections for which sectors will need scaling-up and scaling-down in terms of jobs losses and gains, and how this will impact regions across the country. This will help to demonstrate where future funding needs to be directed and which regions will need the greatest support throughout the transition process.

2. Improvements to the Green Jobs Fund

Key findings

While the Scottish Government's investments into the employment funds outlined above represent a step in the right direction towards an inclusive, green economic recovery, the funds are still insufficient in their scope and ambition.

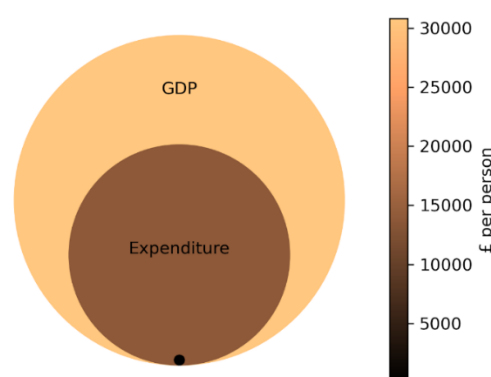


Figure 2 Above, the black dot is the combined sum pledged for the Green Jobs Fund, Energy Transition Fund, and National Transition Training Fund, compared to annual expenditure by the Scottish Government and Gross Domestic Product (GDP) (Government Expenditure and Revenue Scotland (GERS) 2019-2020, 2020).

Taken in perspective, the combined sum pledged across the three funds are only a fraction of the Scottish Government's annual expenditure, and Scotland's annual GDP (see **Figure 2**).

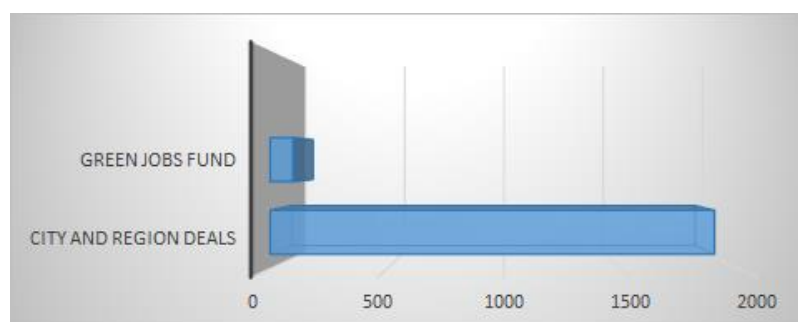


Figure 3 The City and Region Deals for economic growth do not have a focus on sustainability or climate change and dwarf the green jobs fund (Cities and regions: City Region Deals, no date).

Furthermore, the implementation of the Green Jobs Fund will take place over 5 years or more, while other economic development funds such as the £1.9 billion City Region Deal are almost 20 times larger (see **Figure 3**) and used on shorter timescales (*Cities and regions: City Region Deals*, no date). According to the Scottish Budget for 2021-2022, only £14 million from the Green Jobs Fund will be invested in the coming year (*Scottish Budget 2021-22*, 2021).

These facts point to the need for a more rapid investment of the Green Jobs Fund commensurate with the urgency and scale of the climate emergency.

While the existing employment funds have a large focus on improving the environmental sustainability of the Scottish economy, attention must also be paid to ensure that disadvantaged groups are not left behind in the labour transition towards a net-zero economy. The funding criteria for the three funds have not been clearly outlined; and as highlighted in our 'Background' section, certain groups such as BAME communities, women, and people with disabilities have been systematically disadvantaged in the labour market. Thus, when making funding decisions, the government should use strict criteria to ensure funded companies prioritise diversity and inclusion in their human resource management (e.g. in their hiring and (re)training processes).

Suggested approach

1. The Green Jobs Fund should be invested more rapidly to provide an adequate response to the pressing climate emergency.
2. Government assistance to companies should come with conditions regarding the companies' performance in diversity and inclusion, as well as environmental sustainability. To ensure accountability, companies receiving government funding should be required to publish public reports on their performance in these areas, using standardised accounting and reporting frameworks such as the TCFD-developed framework.
3. Specifically, in making funding decisions for the creation of new green jobs, the government should also judge companies based on their ability to ensure diversity and inclusion in their human resource management. Selected companies should be those that actively tackle barriers faced by disadvantaged groups in the employment process (for example when applying for jobs or accessing training). Companies receiving government funding should be required to make regular human capital disclosures to ensure transparency and accountability regarding their practices.

3. Promotion of sustainable green businesses

Key findings

When assessing how regional economies can forge a sustainable, prosperous future during a green transition, it is vital to consider the roles that anchor institutions can play in this process. Defined as "civic, cultural and intellectual institutions which contribute to the cultural, social and economic vitality of cities" (Morris, Jones and Wright, 2010), anchor institutions typically have deep roots in local communities that are essential to growth prospects. Although by no means an exhaustive list, these typically include: hospitals, universities, councils, museums and sports teams. Institutional economics suggests that anchor institutions can be powerful drivers for change in local communities and

can help to transform the economic behaviour of others (*Growing anchor networks in place: A how-to guide*, 2020).

As the surveys presented in **Figure 4** demonstrate, there is a willingness among Scottish businesses to combat environmental issues, beyond a sense of corporate responsibility. Indeed, there are long-term financial incentives for divesting away from fossil fuel companies and shoring up supply chains so that they are sustainable in the long-term.

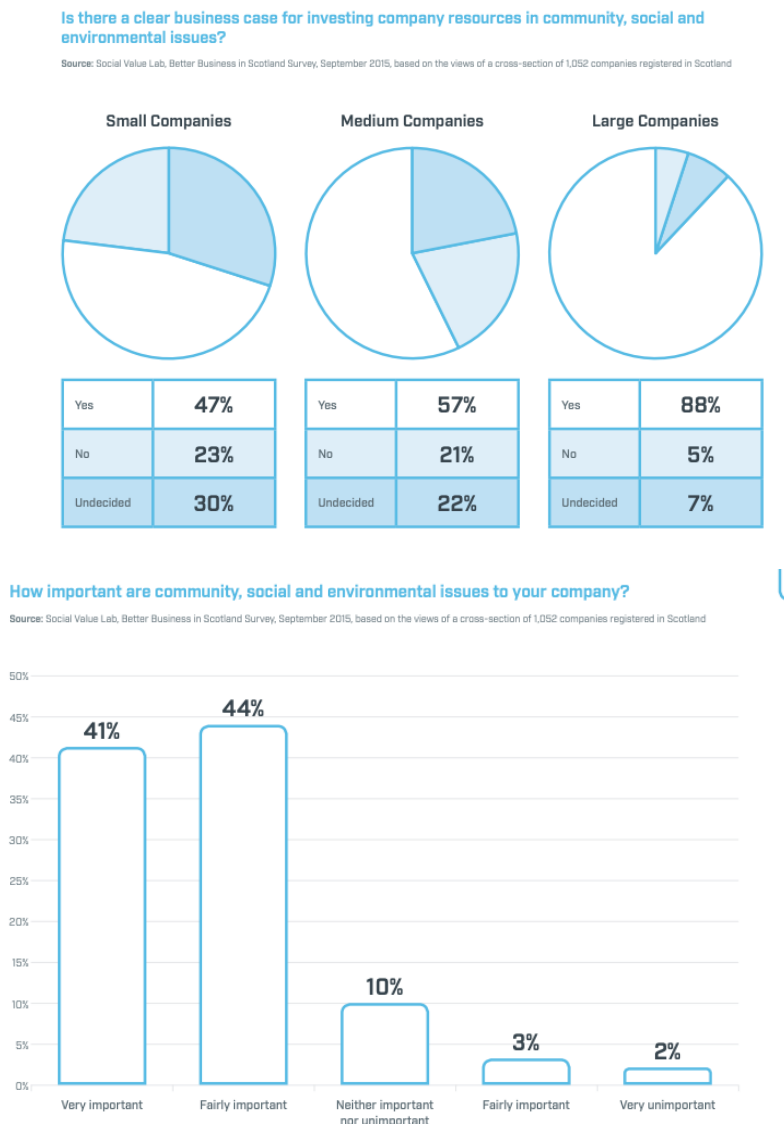


Figure 4 Surveys from Social Value Lab on sustainability in businesses (*Better Business Better Scotland*, no date)

As part of our research, we interviewed the University of Edinburgh's Director of the Social Responsibility and Sustainability Department, Dave Gorman, on the University's complete divestment from companies that extract fossil fuels. According to him, the University's motivations for divesting its £511 million endowment fund away from fossil fuels were twofold. Firstly, aware of their role as an anchor institution within the regional economy, for ethical purposes, the University did not want their sizable investment funds being directed toward high-polluting companies that are contributing to the current climate emergency. Secondly, there were clear financial incentives. Through divestment, the University is moving away from 'climate risk' in their investment portfolio. Fossil fuel

investments may be regarded as ‘stranded assets’ - meaning that at some point in the future, the environmental damage by extracting fossil fuels may be so great, that the asset no longer yields a financial return.

In our interview, Dave Gorman suggested that the University hopes to examine their own supply chains and pursue a more sustainable procurement policy in the future. However, there have not been the resources or capacity to undertake this project yet. Recognising their role as an anchor institution, the divestment process - alongside the University’s current £5 million investment in local green projects (*The University of Edinburgh*, 2020) - indicates that the University of Edinburgh is showing early signs in reimagining how local institutions utilise their financial power. Nevertheless, in order to attain sustainable, long-term development for regional communities, anchor institutions will have to form effective coalitions with one another to ensure a just green transition. Outlined below are two case studies – from both Scotland and the United States – where anchor institutions have formed coalitions to maximise their social and environmental contributions, whilst helping to rejuvenate their local economies.

Case Study 1—North Ayrshire (Scotland):

In a bid to build a more inclusive and greener local economy, the local council in North Ayrshire—a region with some of the highest levels of social and economic deprivation in Scotland—have pioneered the first communal wealth building program in the country (Mckinley, Brett and Lawrence, 2020). Local anchor institutions have collaborated to set up the Community Wealth Building Commission (*What is the Community Wealth Building Commission?*, no date). The ‘Anchor Charter’ they have drafted has six key pillars, relating to procurement, fair employment, land and assets, financial power, plural ownership and climate action (*CWB Anchor Charter*, no date). This charter has committed anchor institutions such as NHS Ayrshire and Arran, Ayrshire College, The Ayrshire Community Trust and local councils to support communal wealth building and investing in green local development projects. Furthermore, the signatories have pledged to give a clear timescale for achieving net zero carbon and greenhouse gas emissions and supporting environmentally stable supply chains. The Scottish Government are already looking at ways to scale up the proposals being implemented in North Ayrshire to a range of regions.

Case Study 2—Cleveland’s Greater University Circle Initiative (United States):

In Cleveland, three large anchor institutions (the Cleveland Clinic, University Hospitals and Case Western Reserve University) used their considerable financial resources to help community-minded projects (Wright, Hexter and Downer, no date). A particularly successful example is the creation of Evergreen Cooperatives (*Field Guide to Investing in a Regenerative Economy*, no date). This project created three cooperatives - Evergreen Energy Solutions, Green City Growers and Evergreen Cooperative Laundry - all of which are sustainable, thriving businesses and which residents have an ownership stake in. These cooperatives have all been established in low-income neighbourhoods and have provided well-paying, stable employment to workers. The Greater University Circle provided the start up capital for the project and then incorporated them into their own supply chains, thereby helping the companies to grow and improving the sustainability of their own supply.

Suggested Approach

Our third recommendation identifies that a Just Transition has the capacity to support local businesses by reimagining models of investment, innovation and ownership whilst strengthening regional economies. We believe that in promoting sustainable business opportunities, anchor institutions have a crucial role to play. Anchor institutions often have supply chains deeply embedded within local economies and have historically had large-scale investments in fossil fuel companies. There are existing, working models to support this recommendation: it is incumbent on anchor institutions throughout Scotland to re-evaluate their investments, procurement processes and grants.

1. Anchor institutions should seek to divest their investments away from high-polluting industries and, regarding their supply chains, direct their spending towards zero-carbon suppliers.
2. Anchor institutions typically have access to considerable amounts of capital and land ownership. This makes them vital ‘incubating organisations’ for up-and-coming low-carbon businesses, by providing them with patient capital funding.

Conclusion

There is a growing need to address the environmental impacts and social inequalities associated with anthropogenic climate change and pollution, in Scotland and beyond. Coupled to this is the need for greater economic sustainability and responsibility, for a greener approach that at the same time tackles issues pertaining to environmental inequality. In this context, this report has explored a possible approach to materialising the desired effects of Scotland's commitment to its ambitious net-zero carbon emissions target by 2045. The Scottish Government's plan to generate 100,000 new green jobs and its monetary commitments under the Green Job Fund and the National Transition Training Fund (NTTF) have the correct attitudes and intentions when it comes to addressing such issues and restructuring the labour market. However, improvements can still be made in order to further improve Scotland's approach to a jobs sector transition.

This report suggests and elaborates upon three main recommendations:

- 1. A regional just transition and improvement of existing economic development schemes.**

This recommendation suggests emphasis on a) the critical and realistic assessment of what areas of the job need to be scaled up and what areas need to be scaled down in order to support the transition to greener forms of employment and Scotland's net-zero target, and b) a stronger inclusion of the Just Transition into investment strategies of both the RGD and CRD.

- 2. Improvement on the Green Jobs Fund to secure a more rapid Just Transition.**

This recommendation suggests emphasis on encouraging the use of the Green Jobs Fund to more rapidly invest in a green jobs transition and encouraging conditions and greater care be employed when investing in greener jobs, so that such investments support the following tenet: the inclusion of principles of equality, diversity and environmental sustainability in the funding of green jobs.

- 3. Support from anchor institutions in promoting sustainable green business opportunities.**

This recommendation suggests that local institutions need to pool their financial, physical and intellectual resources together to regenerate regional economies during a just transition. Anchor institutions should not only ensure full divestment from fossil fuel companies, but make sure their own supply chains (often critical features of local economies) are environmentally sound, as well as investing in local green development projects.

Next Steps

We acknowledge that national employment, investment and business policies are complex, and that considerably more research is required to develop our recommendations into concrete policy proposals.

However, we believe this report has shown there is a real opportunity to tackle climate issues and inequality simultaneously, and we hope to take this message to a wider audience. We will do so by sharing this report amongst Just Transition stakeholders, academics and think-tanks, by gathering as much feedback as possible and by building on our approach accordingly.

We then propose that any or all of our three main recommendations could be researched in more detail at the Buchanan Institute as topics in their own right. This detailed research would focus on developing our ideas into specific policies to be implemented. Such detailed research will need to take the following challenges into account:

- The interconnectivity of a national economy and the risks associated with any sudden pressures
- The rapidly approaching targets for net zero set by the Scottish Government
- The changing direction of Scottish Government policies towards a green recovery from COVID-19
- The regression to wider wealth inequality caused by the COVID-19 pandemic
- Other shifts in employment and business caused by the pandemic

Smaller scale studies focussing on specific regions or sectors may lead to more actionable results. Possible research questions include:

- How should we recognise and reward the green nature of (paid and unpaid) caring jobs, whilst considering gender inequality intersectionality?
- How should the University of Edinburgh adapt its curriculum or add to its educational schemes (e.g. apprenticeships) to ensure students are prepared to enter the zero-carbon workforce of 2030?
- How can Scotland reduce its air travel without hindering the financial ability of underprivileged people to travel?
- Which sectors in the City of Edinburgh need to be rescaled for the green jobs transition, by how much, and how can the council support this rescaling through infrastructure?

While these challenges remain, the next few years will undoubtedly be an exciting time of change. As COP26 in Glasgow approaches, we hope that Scotland can use this opportunity to take a prominent role in the global fight against climate change, showcasing its strengths and commitments to a greener, fairer future.

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Contact

Scottish Just Transition Team

The University of Edinburgh

Email: just.transition@buchananinst.org

Team member emails:

Lila Sakata: L.Sakata@sms.ed.ac.uk

Rashi Agarwal: R.Agarwal-7@sms.ed.ac.uk

Harry Carstairs: Harry.Carstairs@ed.ac.uk

Luiza Costa: s1759192@sms.ed.ac.uk

Rachel Dunn: W.J.R.Dunn@sms.ed.ac.uk

Gideon Leibowitz: s1705009@sms.ed.ac.uk

The Buchanan Institute

The University of Edinburgh

Old College, South Bridge, Edinburgh EH8 9YL

Email: contact@buchananinst.org

<https://www.buchananinst.org>