



**FUTURE
ECONOMY
SCOTLAND**

Transforming the Economy to Deliver a Just Transition

Laurie Macfarlane

Co-Director, Future Economy Scotland



DECARBONISE / DEMOCRATISE / DECOMMODIFY

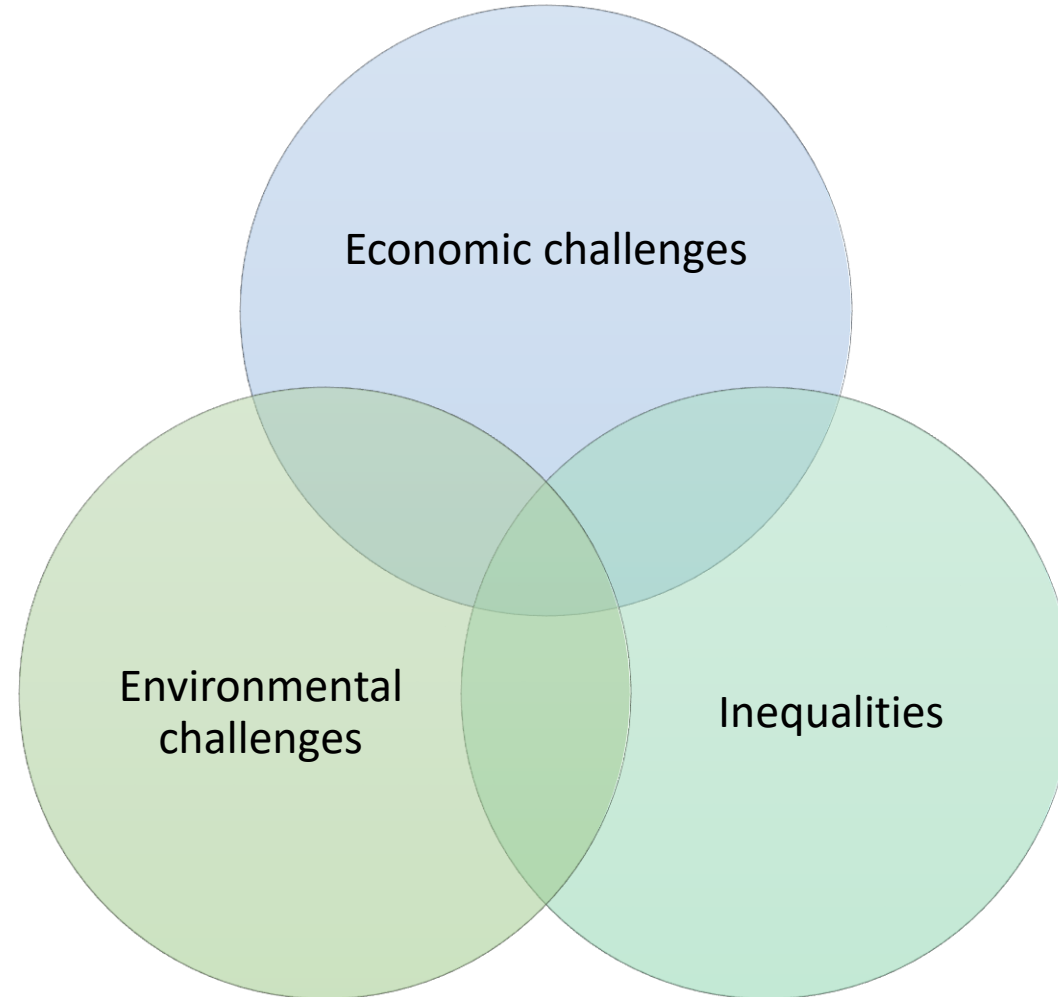
What do we mean by ‘just transition’?



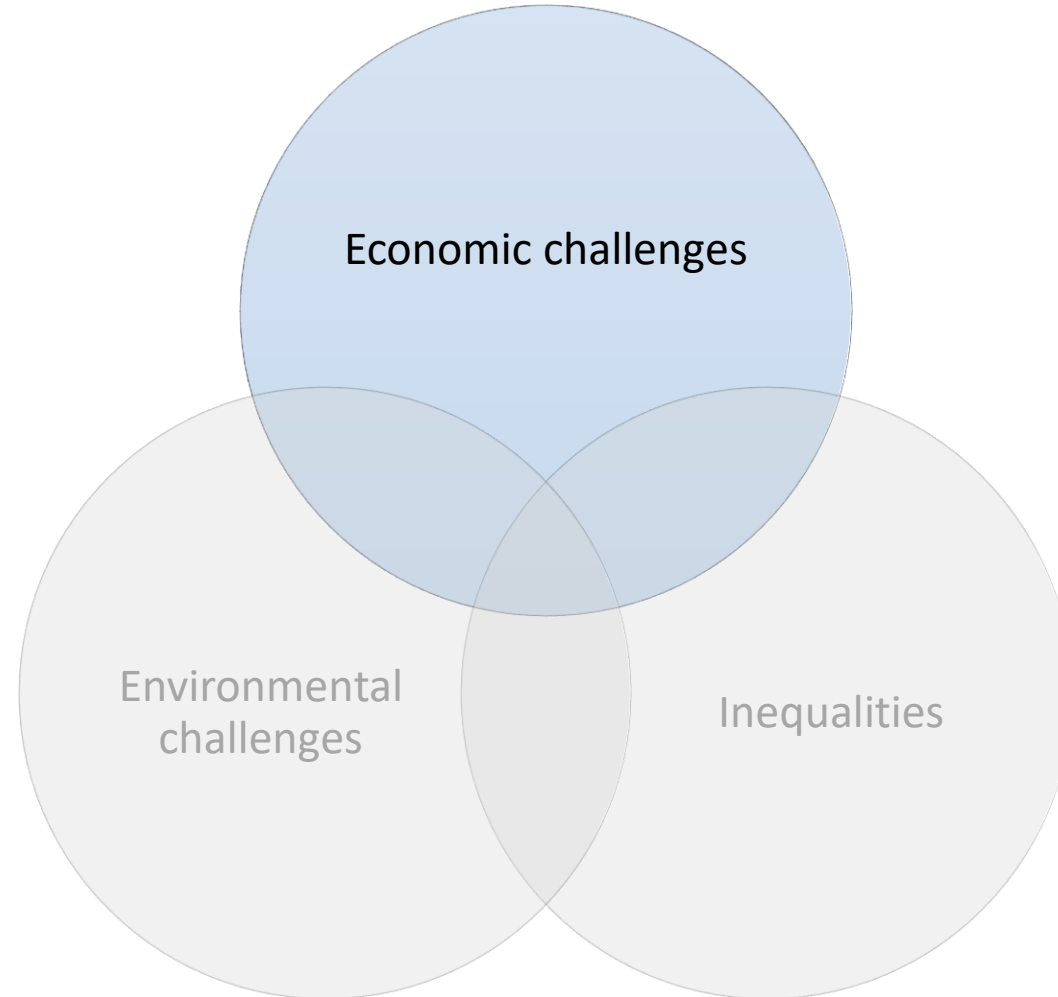
A coordinated plan to decarbonise Scotland’s economy and tackle the nature crisis while:

- Creating well-paid, secure, green jobs throughout urban and rural Scotland alike
- Supporting the reskilling and retraining of workers as part of a managed decline of carbon-intensive industries
- Actively reducing social, economic and regional inequalities, alleviating poverty, and increasing living standards – particularly for low and middle income households.
- Ensuring that impacted communities, trade unions, workers and businesses are given a meaningful stake and say over decisions that affect them
- Fairly sharing the costs and benefits of decarbonisation, including by embracing more democratic forms of ownership and governance
- Ensuring that Scotland, as a high historic and current emitter, recognises global imbalances created by climate and environmental breakdown and builds a reparative approach.

What are the key challenges associated with delivering a just transition?



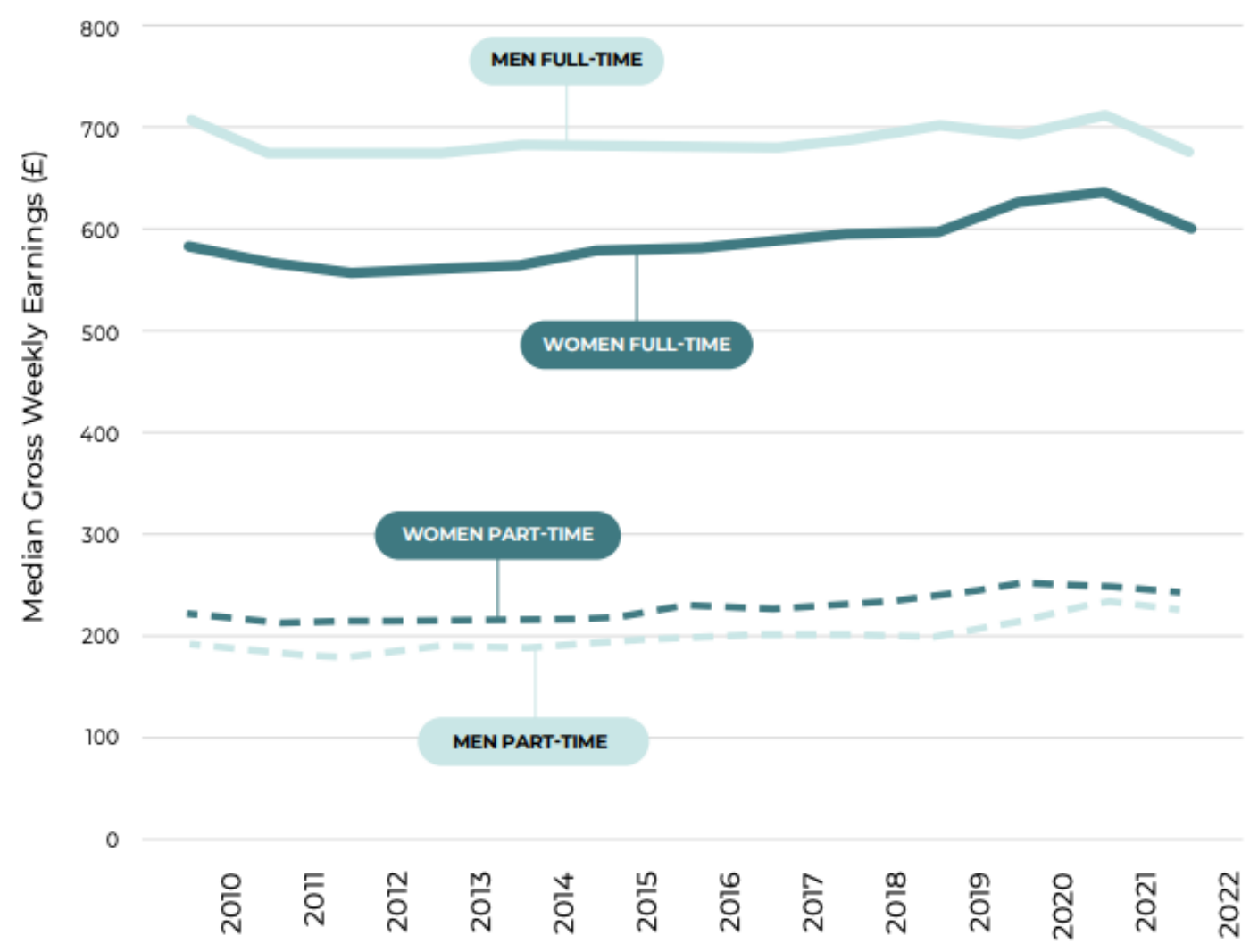
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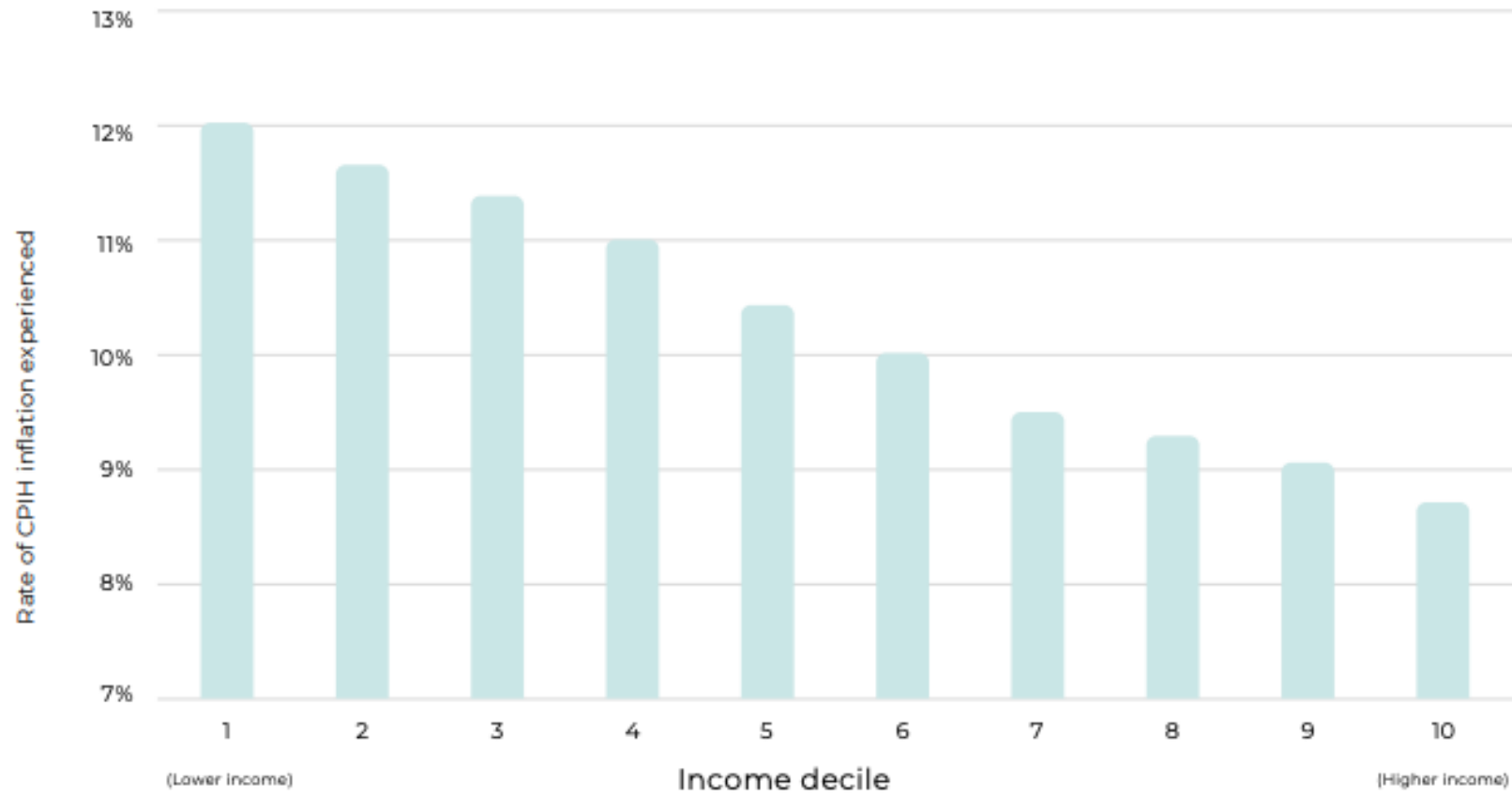
Living standards have been squeezed for over a decade

Real median gross weekly earnings by sex, Scotland, 2010-2022



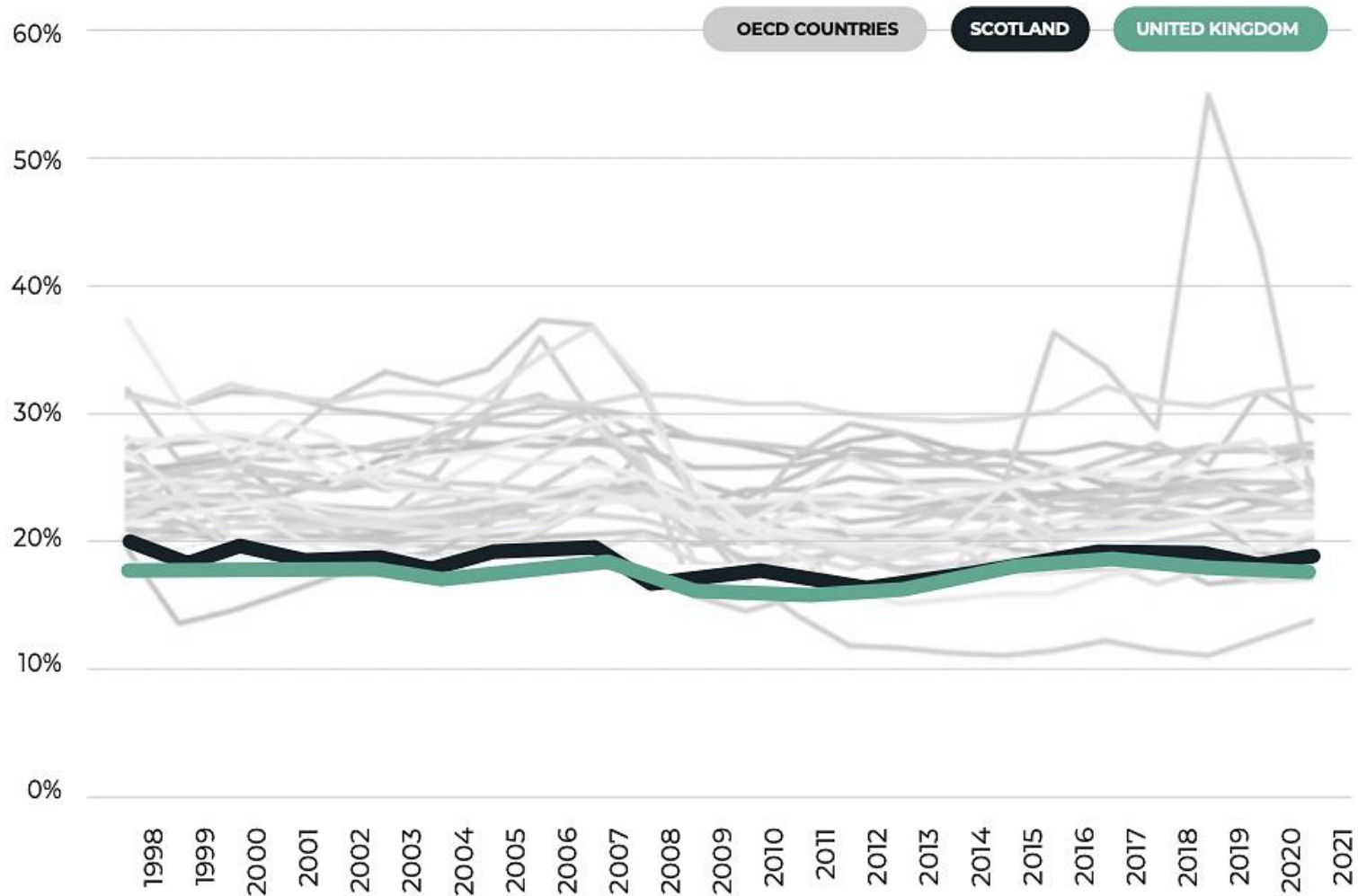
Rising inflation has hit low-income households the hardest

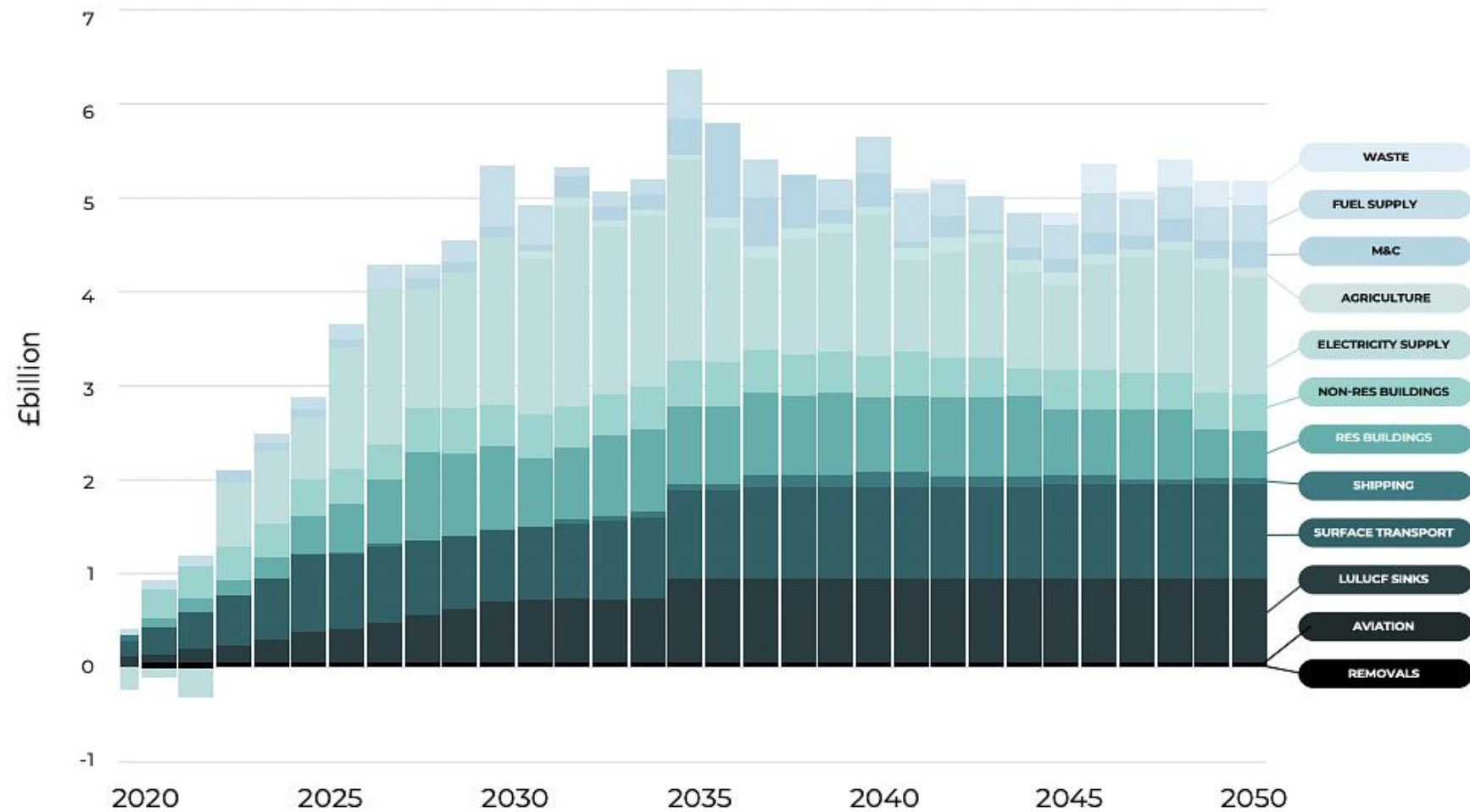
Rate of CPIH inflation experienced by income decile, 2022



Scotland and the UK have a longstanding problem of low investment

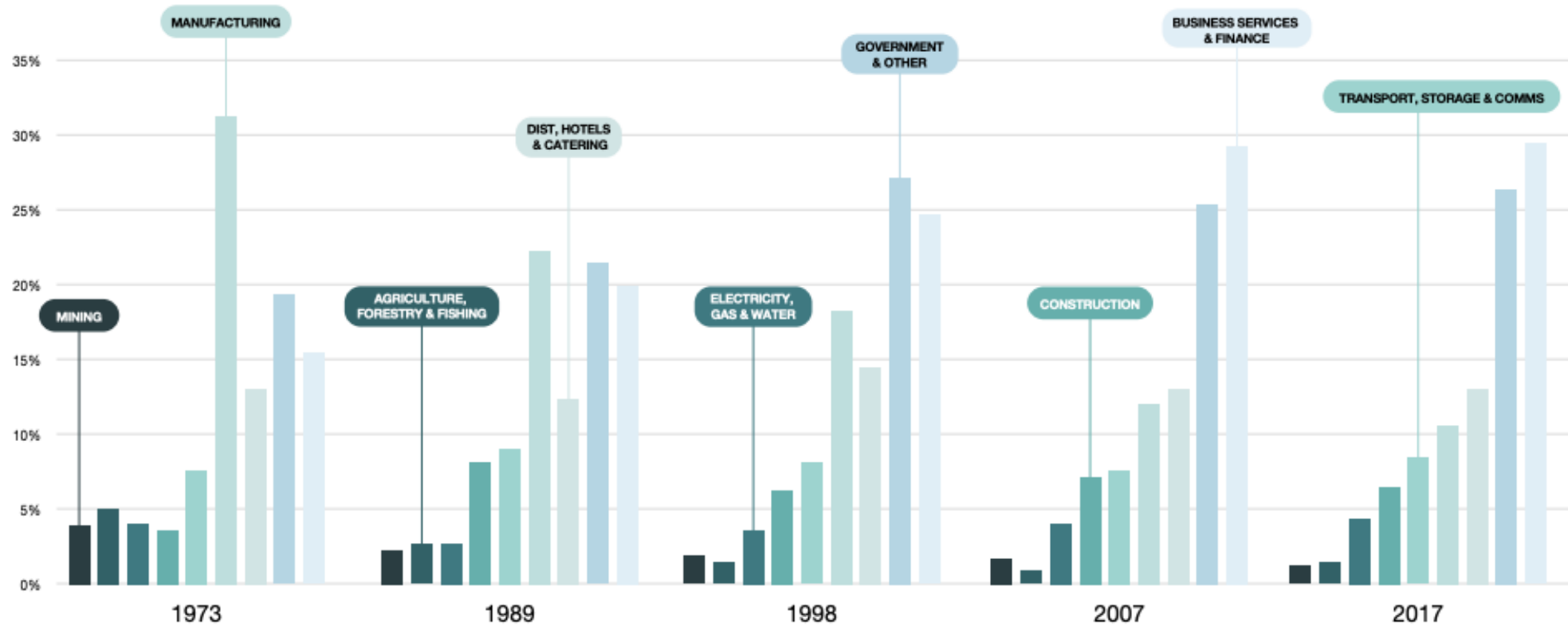
Gross fixed capital formation as a % of GDP, 1998-2021



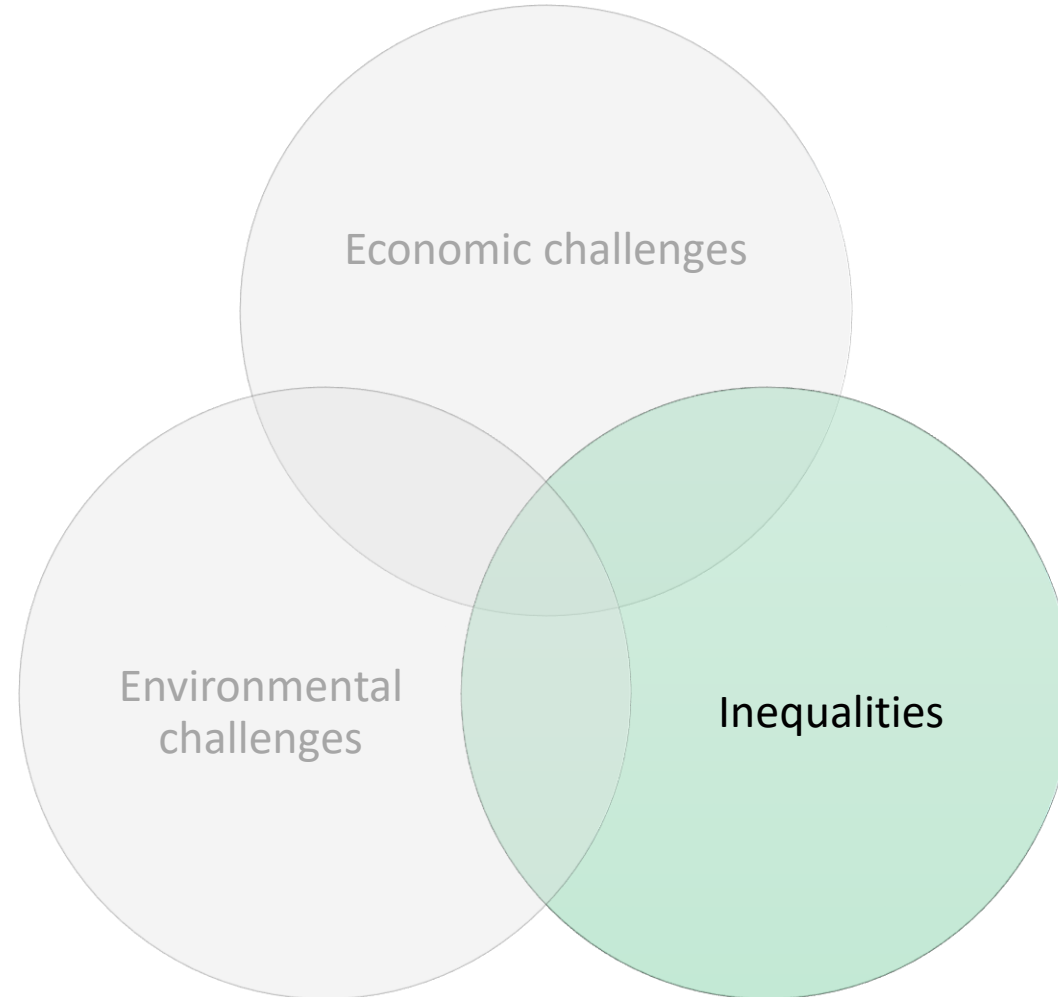


The industrial base of Scotland and the UK has weakened over time

Gross value added (GVA) as a proportion of total, Scotland, 1973-2017

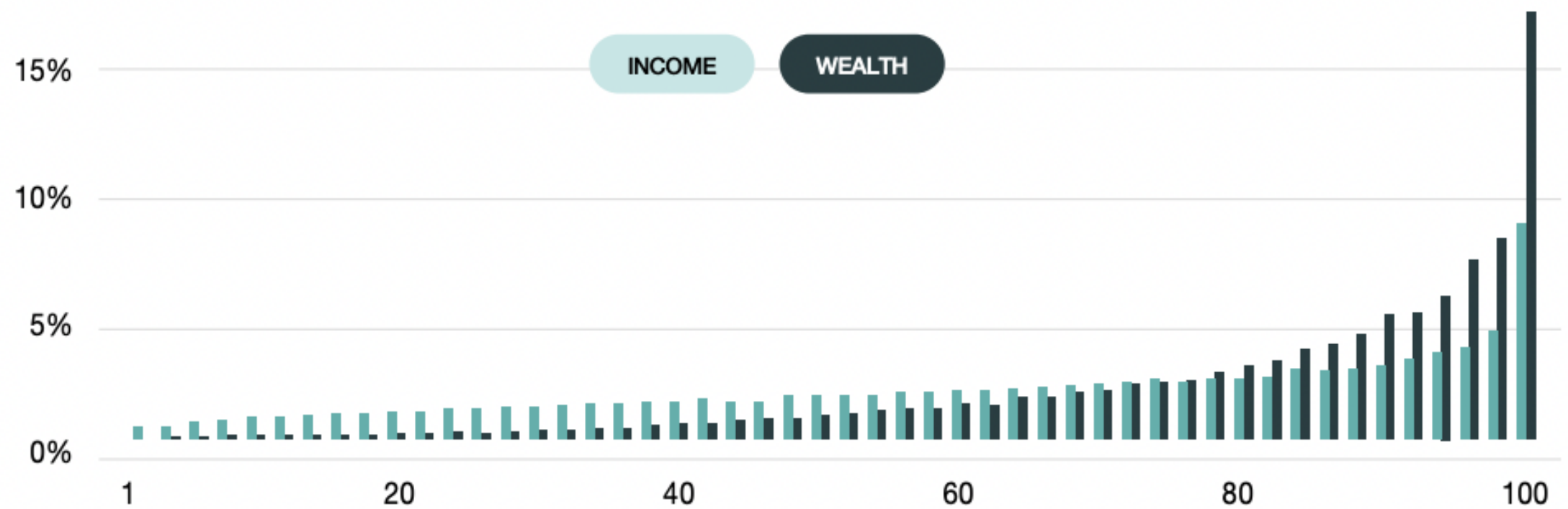


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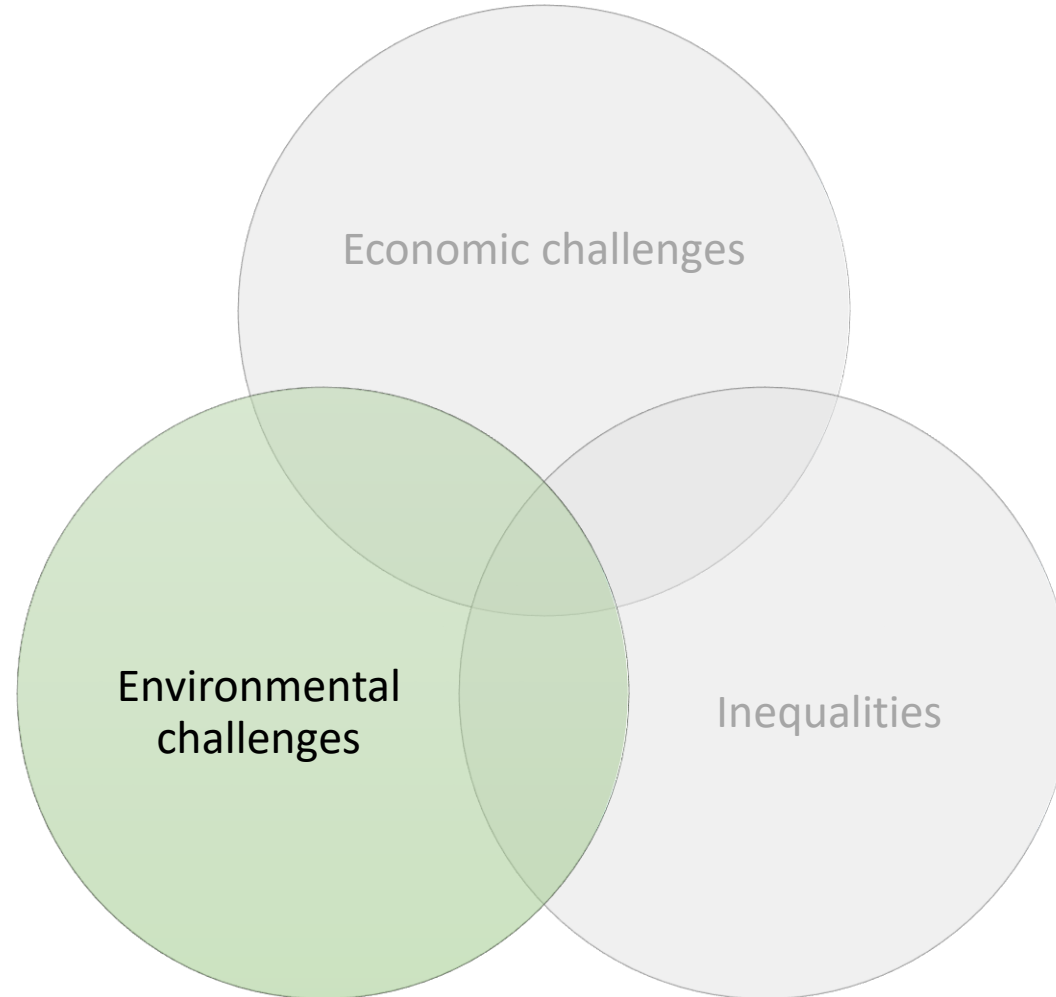


Inequalities of income and wealth are high by international standards

Share of total wealth and of total household income in each 2% band, 2018-20

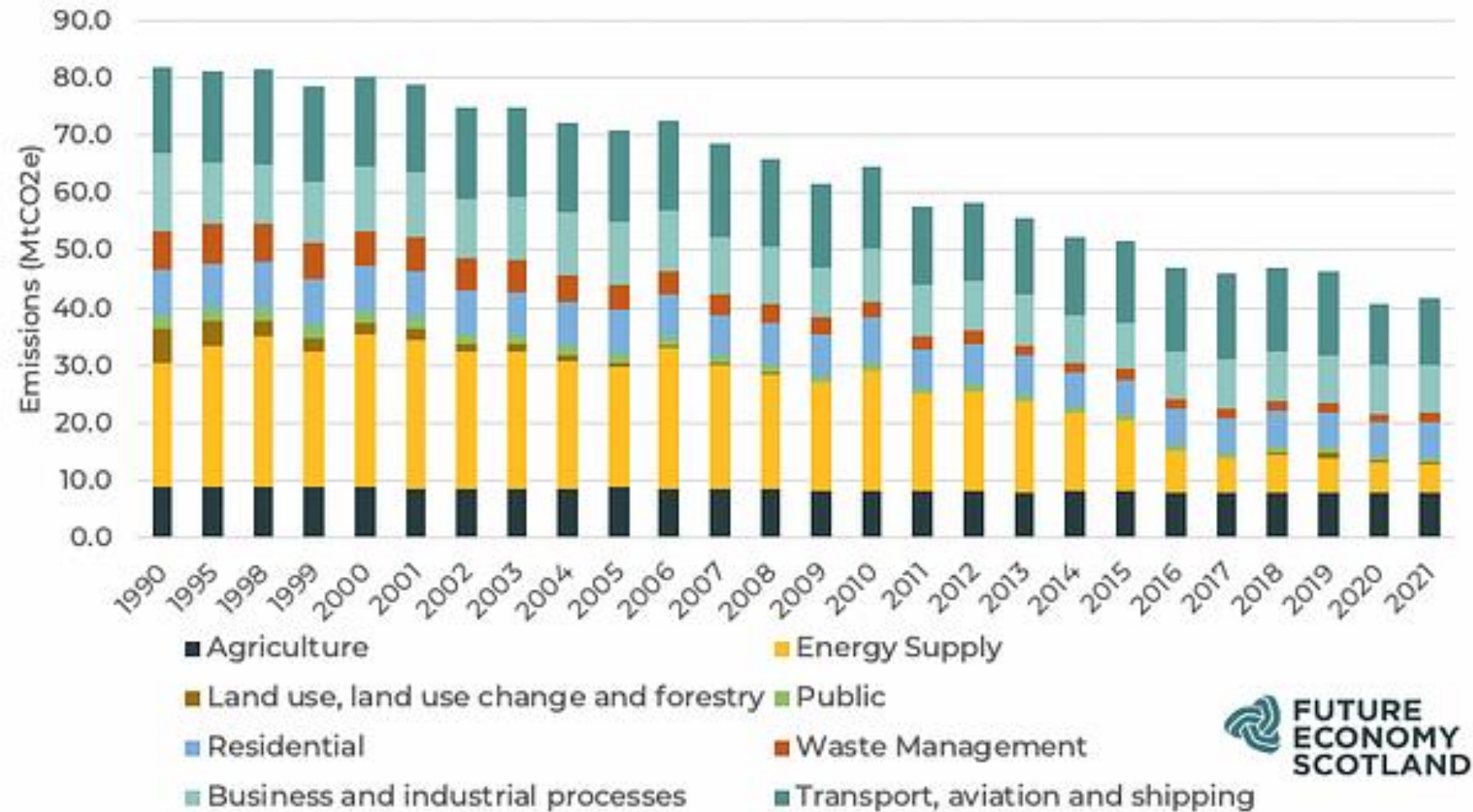


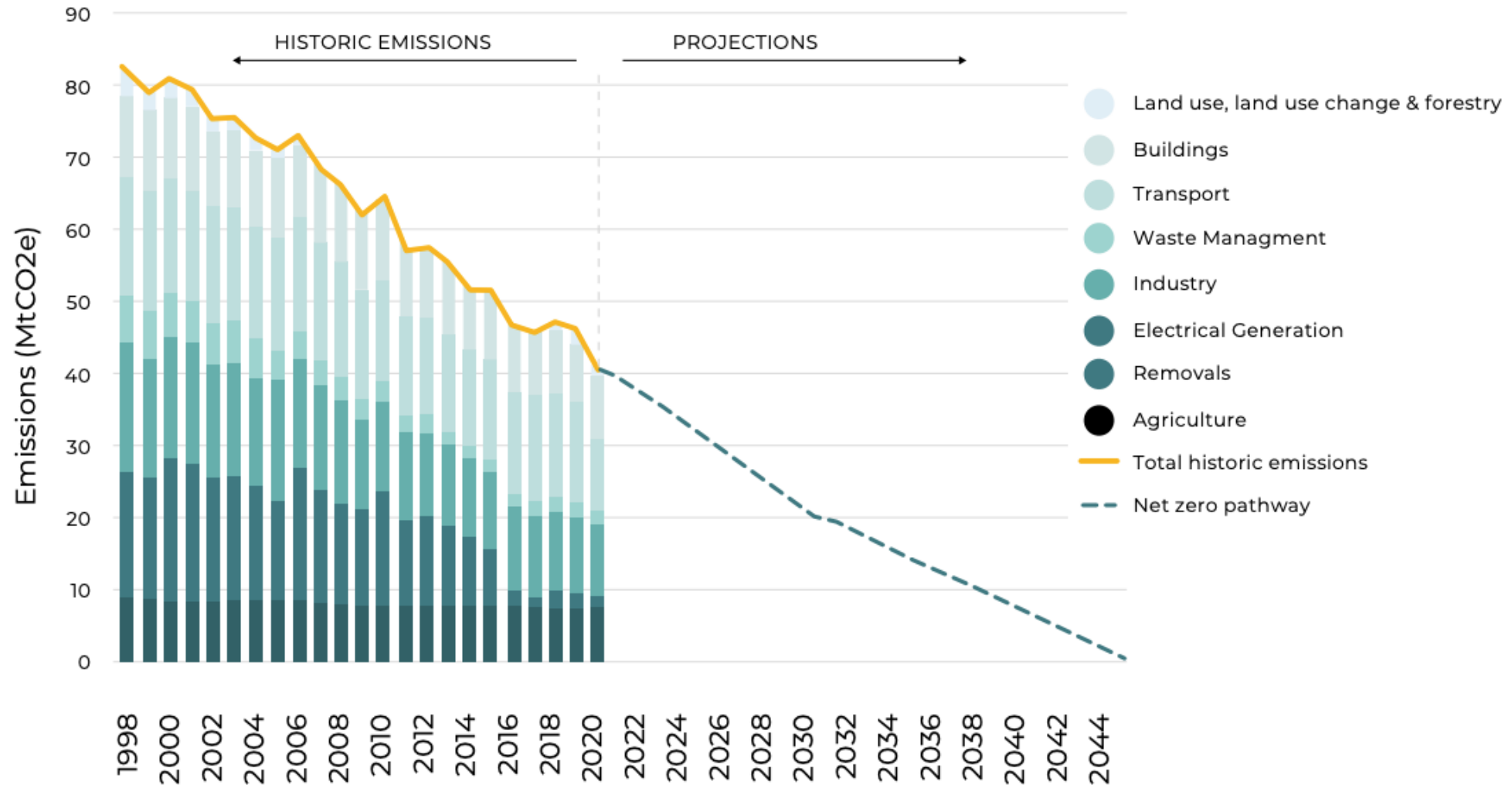
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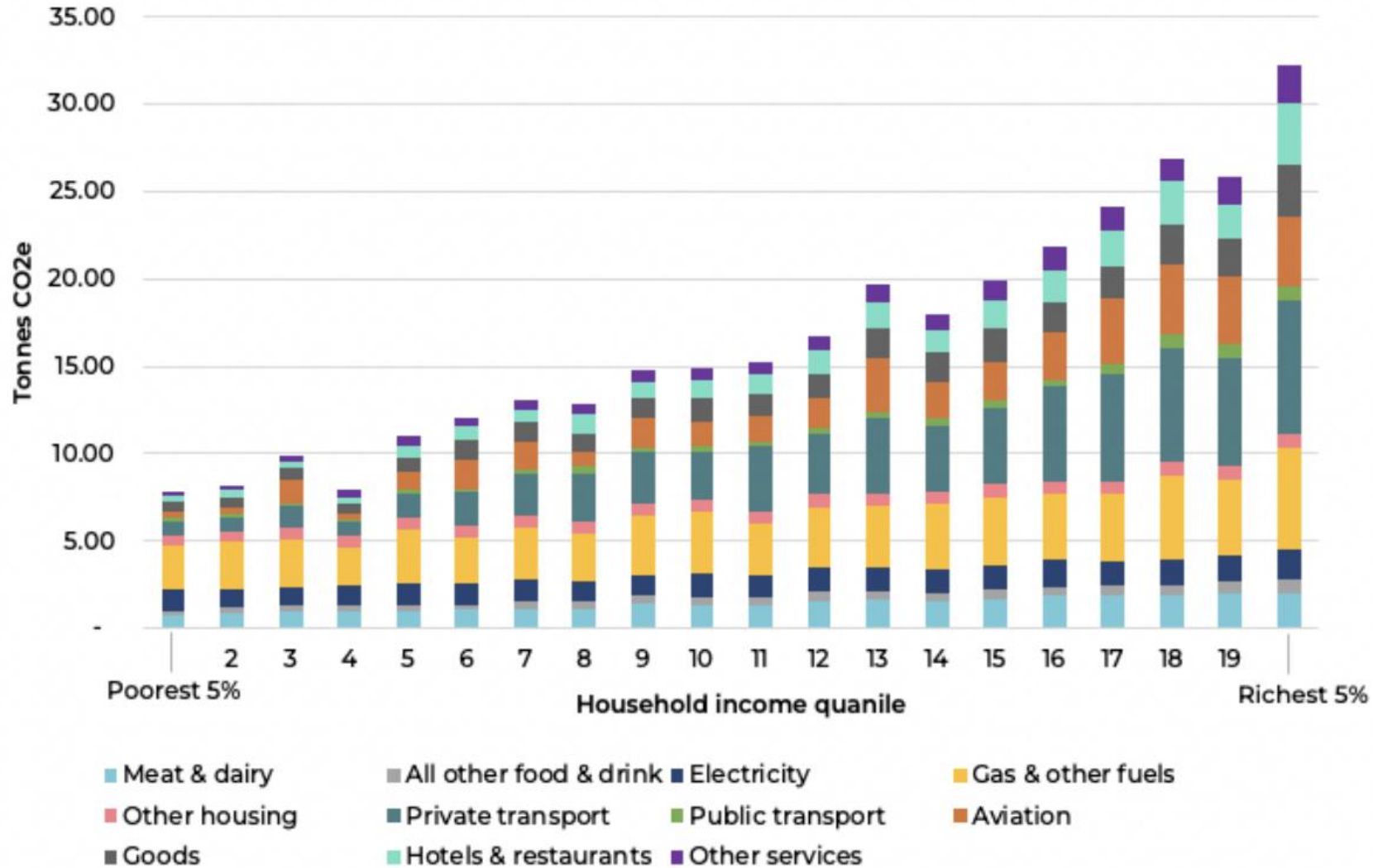
Progress in reducing emissions has been mixed across different sectors

Scottish greenhouse gas emissions by sector, 1990 to 2021



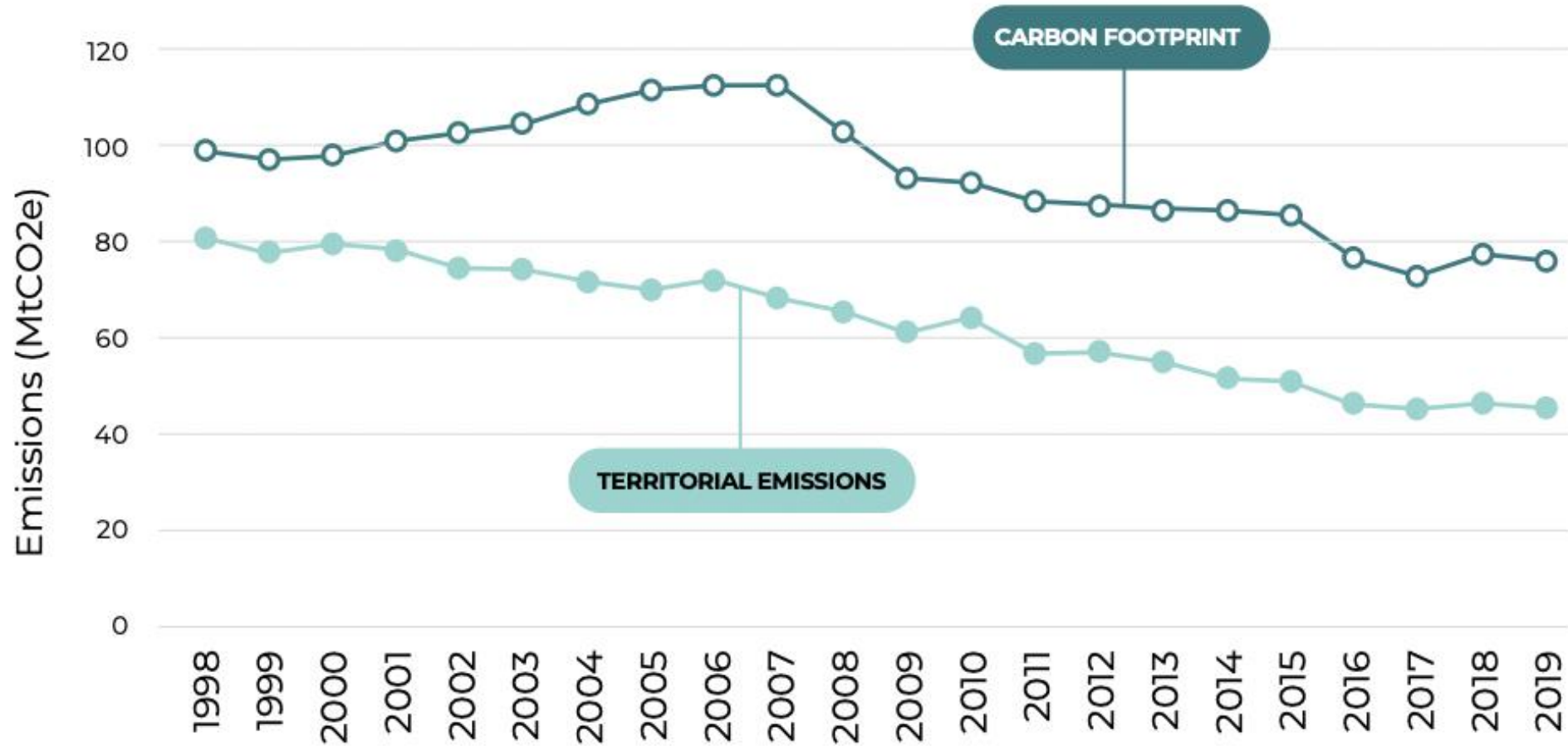


The carbon footprint of Scotland's richest 5% of households is four times greater than the poorest 5% households



There is a risk that net zero target are met by 'offshoring' emissions

Comparison of Scotland's total carbon footprint with territorial emissions



From here to there: delivering a just transition



- Transforming energy
- Green industrial strategy and Fair Work
- Delivering green, affordable, secure homes
- Harnessing a just approach to land, nature and biodiversity
- Greening transport system
- Decarbonising local economies
- Paying for a just transition



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