



A Just Transition?

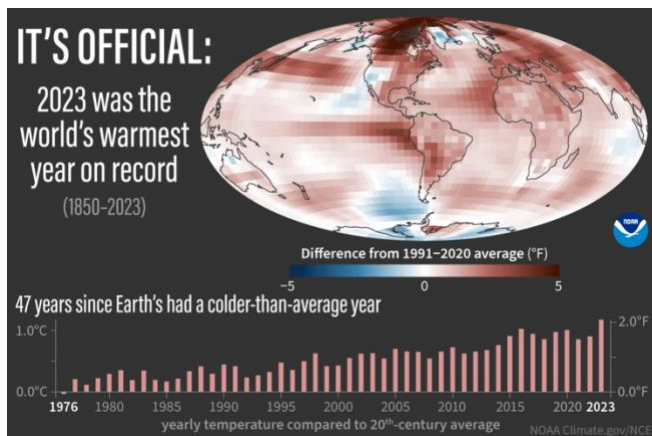
Introduction

Recent job losses in the North Sea and at the Grangemouth site have highlighted the inadequate measures companies and governments are taking to ensure a Just Transition from fossil fuel industries. In this briefing, we examine the steps taken and their likely impact.

Just Transition

The ILO [defines](#) a Just Transition as “Greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind.”

With climate change [worsening](#) each year (2023 was the world’s warmest year on record), the Paris Agreement aims to limit global warming to 1.5 degrees Celsius or less. This requires unprecedented change in how we do things. However, as we have seen in previous transitions from industries like coal, abrupt change can incur a hefty price on workers and society.



A Just Transition requires action under devolved and reserved powers. The UK and Scottish Governments have various strategies. This reflects a global movement following different [processes](#).

UK Government

The previous UK Labour Government [published](#) the UK Low Carbon Transition Plan in 2009. The last UK Government had a range of energy and climate strategies, but no explicit focus was on a Just Transition. Others, including the TUC, pointed

to the investment opportunities, [highlighting](#) the regions most likely to need re-skilling.

Figure 2. Critical themes of the just transition in the UK



- 1. Inclusive clean growth:** Ensuring high quality jobs in the growing green economy, empowering communities and ensuring fairness for consumers.
- 2. Responsible decarbonisation:** Ensuring workers and communities in high-carbon sectors benefit from the transition and are involved in the change process.
- 3. Equitable resilience:** Ensuring that people and communities are protected from the physical impacts of climate change, with a focus on the most vulnerable.
- 4. Place-based development:** Ensuring that the transition is rooted in the priorities of place and generates balanced development across the country.

The UK Climate Change Committee advises both governments on the [progress](#) made by emissions reduction but has a limited role in a Just Transition. The new UK Government has prioritised energy policies with [a focus](#) on making electricity cheaper, reversing the last UK government policy rollbacks, accelerating decarbonisation and strengthening adaption.

There is an investment [plan](#) for homegrown British energy – including renewables, carbon capture and storage, nuclear and hydrogen. However, there have [been calls](#) for Westminster not to fall behind the devolved nations when establishing policies to deliver a Just Transition.

Scottish Government

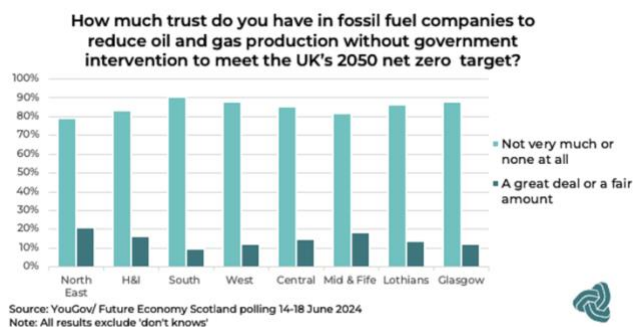
The Scottish Government has an explicit Just Transition [strategy](#) embedded in legislation. Their Climate Change Plan includes renewable energy and low carbon infrastructure investment while aligning skills policy. A £500m Just Transition Fund will support [projects](#) over ten years.

They established The Just Transition Commission to provide independent scrutiny and advice. The Commission’s latest [progress report](#) says Scotland is at risk of going backwards on Just Transition and sets out five key tests for 2025.

Oil and Gas

The number of jobs supported by the oil and gas sector is in long-term decline, more than halving from 441,000 jobs in 2013 to around 196,000 jobs today. Fossil fuel companies have been burnishing

their green credentials, but [most Scots](#) do not believe the market will create a Just Transition without state intervention.



More jobs have [been created](#) in the renewables sector, with more than 42,000 in Scotland. However, renewable investment has not delivered large-scale job creation. It could be as much as a decade before the offshore renewables sector creates [enough jobs](#) to allow oil and gas workers to transition. Trade unions are [sceptical](#) that a Just Transition will be achieved, with Unite's Sharon Graham saying, "These types of transitions must have workers at the heart. Unite will not stand by and let these workers be thrown on the scrap heap."

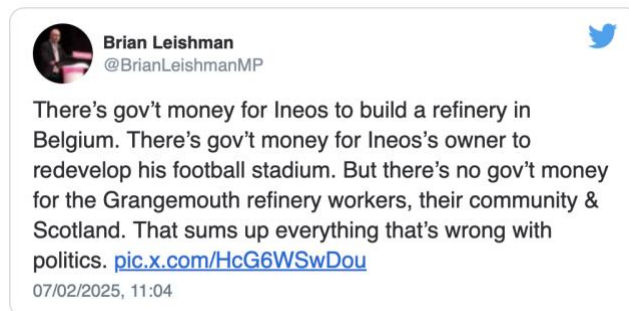
Grangemouth

The failure to manage a Just Transition is brought into sharp focus by the [closure](#) of Scotland's only oil refinery at Grangemouth, a joint venture by INEOS and PetroChina, with a direct loss of 400 jobs. The company plans to convert the refinery into a fuel import terminal. The refinery contributes £403.6m to the Scottish economy and 2,822 direct, indirect and induced jobs.

The company appears to have first raised the possibility of closure with the Scottish Government [two years ago](#) in February 2022, who urged that the company 'continue refining operations in some form'. The company formally announced its closure plans in November 2023. The Just Transition Commission highlighted the risk to Grangemouth in its [2023 report](#).

In September 2024, the UK and Scottish Governments announced [Project Willow](#), a £100m plan to help secure Grangemouth's industrial future and protect its skilled workforce. In November 2024, the Scottish Government started a [consultation](#) on a draft Just Transition Plan for the area. Grangemouth is also part of the Acorn carbon capture scheme, but [funding](#) remains uncertain.

The scale and speed of government responses to this crisis have not impressed the trade unions or the local MP. Unite general secretary Sharon Graham said: "It is quite frankly a national disgrace that Petroineos has been allowed to press ahead with this needless act of industrial vandalism. There is a clear plan for the future of Grangemouth in place. Yet the UK and Scottish governments are missing in action."



Unite [argues](#) that the plant should be used to transition to sustainable air fuel (SAF), and if the company won't, the government should be the investor of first resort. Converting an existing refinery is 30-70 per cent cheaper than building a new facility.

Conclusion

Grangemouth is just one of the top 20 industrial emission sites in Scotland. They all need Just Transition plans now, not when another company decides to abandon these communities. Public money must come with conditionalities linked to Just Transition. Pension [funds](#) should also be used to engage in the transition.

Scotland continues to bear the scars of past poorly managed industrial transitions. Oil and gas companies don't have the capacity or interest to develop a coherent plan for the energy transition that takes account of the needs of workers and communities. Governments must get more involved in managing the energy transition.

Jimmy Reid Foundation

The Jimmy Reid Foundation is a think tank which brings together different voices from across Scotland to make the case for economic, environmental, political and social equity and justice in Scotland and further afield.

<https://reidfoundation.scot>

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