In 2012 Alex Salmond gave a lecture entitled “Scotland’s Place in the World”. With characteristic narrative flair, the former SNP leader sought to position Scotland’s ambitious 2009 Climate Change Act as a pivotal moment in the story of devolution: “a parliament trusted with the big issues as a catalyst to break this cycle.” Throughout his term as First Minister, Salmond would frequently riff on the economic and job-creating capacity of Scotland’s Place in the World, with a particular focus on renewable energy. 

The most obvious steps, such as closing Scotland’s last coal fired power station, have already been taken. The next phase of transition—focused on transport, agriculture, and housing—is likely to be far more politically challenging, complex and costly. 

The current ambiguity about the equity of the story so far must also be considered alongside an emerging consensus that the next steps in decarbonisation in Scotland are likely to be inherently more challenging. With ministers in Edinburgh currently considering a new Climate Bill in the light of Nicola Sturgeon’s declaration of a “climate emergency” at the SNP’s 2019 Spring Conference, the Committee on Climate Change has pointed out that progress in the power sector is masking a lack of action in other areas. The most obvious steps, such as closing Scotland’s last coal fired power station, have already been taken. The next phase of transition—focused on transport, agriculture, and housing—is likely to be far more politically challenging, complex and costly.

The politicisation of devolution

In 2019, the Scottish Government’s Cabinet Secretary for Environment, Climate Change and Land Reform Roseanna Cunningham stated: “We are already a recognised world leader with our climate change ambitions and we intend to maintain that level of ambition,” while adding the caveat that a Green New Deal could only be effectively delivered with the full powers of independence. At a moment when an ongoing UK-wide constitutional crisis is amplifying the debate around Scotland’s future, it is important to consider how the next stages of decarbonisation will be delivered, and what immediate changes can be brought about to facilitate this. 

Consistently higher levels of public spending per capita in Scotland have created a political fissure around the mechanics of devolution. In an era of austerity it became imperative to shape the devolution settlement so that higher public spending north of the border was seen to result in a bigger personal tax burden. 

While the twin polarity between the politics of tax and spend and the politics of nationalism and unionism may only find an adequate solution once the constitutional question is resolved, it is not beyond the realms of possibility to suppose that an issue as fundamental as the climate crisis could act as a catalyst to break this cycle.

The oil and gas consensus

With the exception of the Scottish Green Party, who propose a public stake in existing oil and gas assets, there has been a general failure to propose specific policies to manage a drawdown of the oil and gas sector in a manner that would align with the priorities and the scale of a Green New Deal.

The UK Government has consistently pursued light touch regulation in the North Sea: arguably a product of the sector emerging in a symbiotic relationship with the City under Thatcherism. The latest iteration of this trend, the policy of Maximum Economic Recovery, seeks to maintain the presence of operators offshore for as long as is feasibly possible, using the mechanism of tax breaks (worth over £24 billion) tied to the decommissioning of a multitude of ageing platforms and pipelines. There has been little interest from officials in either London or Edinburgh in using this form of public funding to promote a just transition programme: for both sets of politi-
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Scotland’s energy transition.

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energy and job failures

The renewable sector has grown threefold since 2008 and now stands at 10 gigawatts of capacity: generating 68% of gross electricity consumption in Scotland in 2017. Yet current deployment is dwarfed by future opportunity. Offshore wind in partic-

ular (Scotland claims 25% of Europe’s overall potential) has become recognised as the most significant player in the next phase of Scotland’s energy transition.3

However, particularly in supply chains and manufacturing, job numbers in renew-

ables have not lived up to early forecasts, and have even declined over the past two years. A report by the STUC found that the Scot-

ish Government’s emphasis on low-carbon inward investment lacked “requisite focus on socio-economic benefit for workers and communities.” A sector defined by foreign ownership of generation assets and the over-reliance on foreign direct investment seems unlikely to provide a just transition for Scotland.

Large private operators in the offshore wind sector have also been found to be employing non EEA workers on less than the minimum wage. This practice, which is common in oil and gas sector too, has been branded ‘social dumping’ by offshore unions. Further intervention – through the creation of a publicly owned generating company, better use of the planning system in Scot-

dland, and closer regulation of offshore work-

ing practices and licensing at a UK level – will be required to address these issues.

4— A Scottish National Energy Company

In 2017 the SNP committed to creat-

ing a not-for-profit publicly owned energy company, with the aim of tackling endemic fuel poverty currently affecting around 1 in 5 Scottish households (with far higher rates in rural areas). It is anticipated that the venture will be modelled on existing white label provid-

ers such as Nottingham’s Robin Hood Energy.

Despite strong critiques from various quarters about the limitations of pursuing such a minimalist model, there is little evidence that Scottish civil servants will establish the company on a footing that would allow it to go further and invest directly in energy gener-

ation or distribution networks.

Beyond a lost opportunity to create jobs through the establishment of a public stake in generation assets, the minimalist approach also risks exacerbating one of the biggest challenges Scotland faces when it comes to decarbonisation: heating. There is little incentive for private sector operators to invest in low-return projects, such as district heating schemes, that would assist Scotland to achieve its ambitious target of low-carbon heat for 45% of domestic and non-domestic buildings by 2032. There is also a lack of public direction, strategy and data-sharing within the energy sector at a Scottish level; hindering the pursuit of a joined-up approach to renewables, heat, energy efficiency and community energy schemes.7

Even with greater public involvement in low-carbon energy and heating, new grid connections in peripheral areas have been hobbled by the competitive process of the UK Government’s Contracts for Difference licens-

ing scheme, alongside the abandonment of Feed in Tariffs.10 This problem is compounded by OFGEM’s prioritisation of delivering value to the consumer and security of supply.11 This has been seen to privilege large scale projects over more localised schemes and has resulted in painfully slow progress to upgrade rural grid connections. In Orkney, the preeminent global testbed for marine renewables, there has been a prolonged battle for improved grid connectivity. The islands currently produce around 120% of their electricity from renew-

able sources, face exorbitant transmission charges to export it south, and often have to turn off community-owned generation assets due to a lack of grid capacity.12

This chronic disempowerment clearly requires reform of the energy market at a UK level, in addition to the restructuring of the grid to better enable generation in peripheral, renewable-energy-rich areas. In the mean-

time, clearer strategic direction – whether in the form of an explicit industrial strategy, or simply a reappraisal of the Scottish Govern-

ment’s long standing reluctance to “pick winners” in the renewables sector, would go some way to boost investment. More prosa-

ically, there is also a need to better staff and resource Scottish Government units work-

ing in areas related to transition: a factor that has fed into calls for a Scottish National Energy Development Agency, modelled on the Danish Energy Agency, with a broad remit and powers.13

5— Infrastructure and Spending

With limited borrowing powers, and a budget that is ultimately determined via the Barnett Formula by the rest of the UK, bold additional spending commitments can be easily shirked by devolved administrations. Furthermore, it would floutly contradict Green New Deal principles for the Scottish Govern-

ment’s universal provision of free prescrip-

tions, tuition fees, and bus travel and personal care for the elderly, to be curtailed by a drive to decarbonise.

However challenging the state of affairs might be, there is still more that can be done within the current devolution settle-

ment. Robert Pollin’s annual price tag for a Green New Deal, at 1.5-2% of global GDP, translated into a Scottish context, comes in at just under the level of Scottish Government’s capital expenditure in its 2019-20 budget of £5bn.14

However, to date there has been a consistent failure to put decarbonisation at the heart of devolved capital expendi-

ture. Numerous road building projects over the past decade have soaked up billions of spending, while the current pipeline includes roughly £1bn across five road improvement projects. This record has embedded issues around construction and transport, a sector that has seen a tangible increase in emissions over the period 2011-16.15

While lower carbon infrastructure programmes have also formed part of the mix, including the rail electrification and station refurbishment projects in the Edinburgh Glasgow Improvement Plan (£858m), to date there has been a lack of overarching focus to prioritise transition away from carbon when it comes to what the state chooses to build in Scotland. Fresh plans to place greater empha-

sis on a network of electric vehicle charging points, and the creation of a new Infrastruc-

ture Commission for Scotland, could repre-

sent an overdue shift towards a low-carbon strategy.16

The new Scottish National Investment Bank, which will commence operations later this year, has been heralded as a significant tool in this regard. As outlined in a report carried out on behalf of the Scottish Govern-

ment by the Institute for Innovation and Public Purpose, the new bank will have a mission ori-
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A rapidly deindustrialising nation. If Scotland’s green energy riches are to be tapped to decentralise political power. If Scotland’s journey away from both the top-down post-war model required for transition necessitates a march away from the bank’s DNA. Missions will be set at the discretion of ministers and thus subject to changing political priorities. Furthermore, technical issues around the Treasury’s relationship with the new institution, in addition to the bank’s commercial focus and inability to lend to local authorities, has cast doubt over how impactful this new institution will be in implementing a just transition.

6— Public ownership and nationhood

On a fundamental level, a Green New Deal requires a new federal settlement to be implemented in full across the nations and regions of the UK, however elusive that has proved to be to date. Geography and the politics of place will be fundamental to this transformation. As Andreas Malm has argued: renewables, unlike carbon assets, are fixed in time and space, making their development and ownership inherently unappealing to a global financial system in which the average stock is owned for a mere twenty-two seconds.

In a UK context then, the paradigm shift required for transition necessitates a march away from both the top-down post-war model of centralised carbon-based generation, with an equally strong reversal of the radical neoliberal sell-off of public assets that succeeded it.

This new, cheap, clean, decentralised model of powering the economy can only be successful if it is mirrored by a systematic decentralisation of political power. If Scotland’s green energy riches are to be tapped to the full, we must learn the political lessons of North Sea oil: in particular, its potent ability to fuel narratives of disempowerment and alienation, precisely because it came onstream in a rapidly deindustrialising nation. If Scotland is to become a net exporter of clean power to the rest of the UK, or to mainland Europe via a European supergrid, the benefits of these macroeconomic changes must be made tangible in Scotland in the first instance. At the same time, in order to allow communities to buy into this transition, local accountability and decision making must be shaped in order to take account of widely divergent circumstances across the UK. A pertinent example here is the pattern of extremely concentrated land ownership in Scotland, an issue of systemic injustice built up over centuries. In WWF Scotland’s briefing on the Climate Change Bill, the nation is said to be “laden with natural advantages for net zero,” with vast opportunities to create carbon sinks through peatland restoration, forestry and rewilding. Yet one fifth of Scotland’s land is devoted to the sport of shooting grouse. As Revive, the Coalition for Grouse Moor Reform found, these vast sporting estates require 330 hectares to create a single job, in contrast to forestry, which currently occupies the same amount of land in Scotland but requires only 42 hectares per job.

Precedents from beyond the devolution era are necessary to comprehend the scale of transformation represented by a Green New Deal. The role of the state and development bodies in post-war Scotland, although not the result of a single programme, encompassed enormous changes in Scottish life. This extended to the creation of new industries, new towns, and the Franklin D Roosevelt-inspired North of Scotland Hydro-Electric Board. These changes were delivered in a manner that was both distinctively Scottish and a direct response to the global crises of the 1930s. The demands of a Green New Deal in a nation hollowed out by decades of neoliberal orthodoxy are of a similar order of magnitude.

Reflecting on his upbringing in post-war Scotland BBC journalist Alan Little argued that the decline of nationalised industry in Scotland resulted in the impoverishment of countless communities that were once “bedrocks of British identity.” The failure of successive generations of British politicians to acknowledge this often obscures the fact that nostalgia for the post-war settlement is a significant reference point within Scottish nationalist narratives. The rhetorical framing of a Green New Deal has the potential to tap into this latent identification of Scotland as an industrial society; despite all the ways in which this jars with recent Scottish experience, not least the essentially neoliberal institutional cultures of devolved government.

In the meantime, the SNP are increasingly pursuing an independence prospectus that prioritises deficit reduction and market confidence during the transition to a new state. Inevitably, this has raised doubts about how credible it would be for the state to simultaneously manage the additional challenge of rapid decarbonisation without imposing cuts elsewhere.

Only systematic transformative policies can guarantee the success of the next steps in Scotland’s journey away from a carbon-based economy. Although driven by a deep necessity, a politics that has the confidence to grasp this challenge will also inherit the opportunity to build a new bedrock of identity, in a nation with a political imagination still defined by the loss of British social democracy.
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References


[37] Laura Watts, Revive, Common Weal, 5.


