



# ¿Cómo vincular transición ecológica y justicia social?

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# From the promises of an integrated agenda to reality

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- **Social justice as condition for success of climate & ecological transition**
- **Social justice and ecological transition: the same agenda**



Do people know that we are headed towards carbon neutrality, no poverty and reduced inequalities?

- **2 main just transition challenges:**  
managing **structural transformations**  
impact of environmental policies on vulnerable **consumers** (eg. energy/food prices)

# Structural transformations

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- Yes, ecological transition creates new jobs and opportunities but yes, also losses – that need to be managed !
- The transition is on its way, this needs to be communicated clearly, so that actors can anticipate and participate in shaping new futures
- Key sectors: car industry, conventional farming, coal industry...

# The Coal Transitions Project

[www.coaltransitions.org](http://www.coaltransitions.org)

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Co-construction with local actors in countries with high coal production/consumption

- **Project co-ordinators:**

- IDDRI, Climate Strategies

- **Country-research teams:**

- India: Indian Institute of Management Ahmedabad
- China: Tsinghua University
- South Africa: University of Cape Town
- Australia: Australian National University; Melbourne University
- Poland: Institute for Structural Research, Poland (IBS)
- Germany: German Institute for Economic Research (DIW)

- **Project Funders:**

- KR Foundation,
- European Climate Foundation



# Analysis of past coal transitions: case studies

'Coal Transitions: Research and Dialogue on the Future of Coal' Project

## DATA FROM CASE STUDIES ANALYSED



Legend

**Country - Region**  
Reason for transition

Period

Decline in production

Decline in employment

### United States - Appalachian and Powder River Basin

*Gradual decline due to multiple factors*

Main period examined: 2008-2016  
Longer-term trend: 1970s-2016

Decline of national coal production by 23% in 8 years to 2015  
Appalachia: -37% from 1990 to 2008

220,000 to 65,000 (1980 to 2015)  
85,000 to 65,000 (2010-2015)



### Czech Republic - Several locations

*Collapse of Soviet Union and shift to market-based economy*

Main period of decline: 1990 to 2000  
Broader period examined: 1990 to present day

120mt in 1990 to ~60mt in 1998

160,000 to 60,000 in 2000  
Declining to ~33,000 in 2014



### Poland - Upper Silesia, Małopolskie, Lubelski

*Fall of Soviet Union & transition to market economy*

Main period of output decline, closures and restructuring: 1990-2002

Closure and consolidation of 70 mines into 30  
147 to 106 Mt hard coal output from 1990 to 1999

~380,000 to 150,000 jobs from 1990 to 1999



### United Kingdom - Numerous locations

*Decline of UK coal mining industry due to economic unprofitability and cessation of government support in 1980s*

Main period of decline: 1980-1990  
Broader transition period: 1980 to 2016

130mt/yr in 1980 to 4mt/yr in 2015

237,000 to 49,000 (1980-1990)  
Declining to 1,000 in 2014



### Netherlands - Limburg region

*Full mining phase out*

Mine closures: 1965-1975  
Regional restructuring: 1965-1990

11 mines - Decline in production of ~14 Mt coal (~85% decline nationally)

~75,000 jobs



### Spain - Several locations

*Declining competitiveness with imports, depletion of brown lignite, diversification of electricity mix*

First period of decline: 1985 to 2008  
Second period: 2008 to 2015

39mt/yr in 1985 to 4 Mt in 2015

32,000 jobs in 1993 to 3,715 jobs in 2014



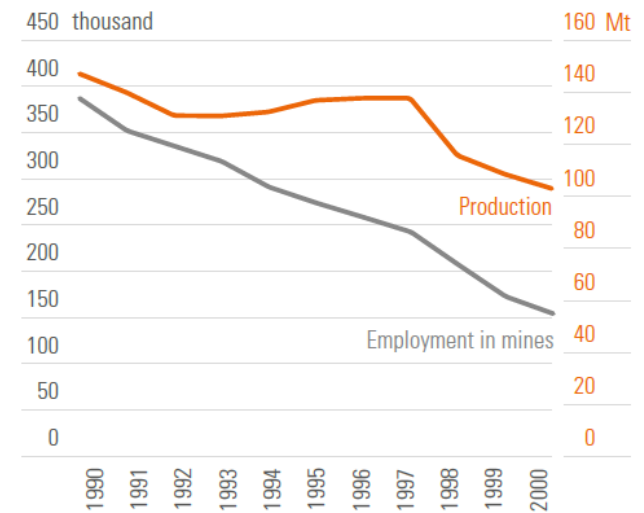
# 1. Avoiding and mitigating adverse impacts on coal sector workers

- **Risk** : disruptive and abrupt changes have important and costly human and social consequences over several generations.

## Lessons:

- **Make the best use of worker's demographics to smooth the transition :**
  - Even the proudest workers don't want their kids to work in mines
  - Use time today to anticipate and prepare workers psychologically for the day without coal
  - "Stop hiring young workers and let the others retire".
- **Retraining not for everyone.**
- Retraining on job better than off job.**

Figures 3. Employment and production in mines



Source: Own representation based on Kaczorowski and Gajewski (2008).



## 2. Building local economic resilience and an alternative industrial future for affected regions

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- **Risk** : downward spiral of economic development leading to regional decline.

### Lessons:

- Increase “soft” attractiveness factors (infrastr., environ. quality, educational opportunities, entrepreneurial activity...).
  - Bring new sources of demand (military, university campus).
  - Need to have the private sector and local authorities on board.
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- **Stay realistic on expectations:**
    - Human skills, technology specialization and local identity can not change from a day to another.



### 3. Financing the transition

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**Risk** : looking at past experiences, not confronting change can be extremely costly.

**Lessons :**

- **Transition requires some resources, but doesn't necessarily imply a huge net cost for the government.**
- **Need fiscal transfers to affected regions**
- **Private companies should contribute either directly or indirectly (tax revenues) to some extent : i.e. cleaning up the site and/or helping workers and regions.**
- **Anticipation means first avoiding new investments that are not compatible with long term objectives (avoid stranded assets!)**





## 4. A governance issue : domestic and international policy coordination

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### At the domestic level :

- Architecture in your government that can put together a common vision of the transition.
- Role of overarching climate laws and institutions because it forces an internal discussion.
- Role of sustainable development pathways at national and local levels, developed in partnership

### At the international level :

- Need to coordinate what 2C means everywhere to reinforce the credibility of commitments under Paris agreement.
- **Importance of cooperation:** FR-GER Forum for the future (Aachen treaty), EU experience on Coal Regions transition platform, more can be done (globalisation adjustment fund?)

# The consumer side

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- ecological transition & climate policies will affect prices: gasoline, gas, electricity (where still from fossil fuels), food...



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- Important issue for countries that want to tax fossil fuels but also for those that have to phase out subsidies for fossil fuels!
- How to manage this in a just way ? Leaving no one behind ?

# IDDRI's work on the French debate on the carbon tax



POLICY BRIEF March 2019

## After the carbon tax freeze, what are the priorities for the ecological transition?

DOWNLOAD THE PUBLICATION  
PDF - 500.49 KB



The use of the carbon tax to encourage behavioural change, which most economists consider to be the most effective policy, has faced public hostility in recent months, pointing in particular to the lack of accessible low-carbon alternatives for travel and to household budgetary constraints. Beyond the mechanical application of a price trajectory, these claims invite us to reconsider the limits of the carbon pricing approach to transform society and to identify the conditions for a sustainable evolution of this tax taking into account both the demand for social justice

### Authors



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BLOG POST March 13th 2019

## What lessons can be learned from the debates on the carbon tax?



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Triggered by protests against rising fuel prices, the "gilets jaunes" movement has highlighted a certain incomprehension in the general public on the way in which

# 1. Anticipating the impact on consumers

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**Risk:** A carbon tax can exacerbate vulnerabilities and inequalities.

- **Identify the vulnerable consumers: who are they?**
- **Create compensation mechanisms : transition bonus, subsidize alternatives**

## 2. Minimize exemptions to some sectors

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**Risk:** Exemptions to specific sectors can be perceived as unfair.

- **Air and maritime transport, big industry under ETS, etc -> 6, 9 billion Euros in 2018 in France**
- **Not only perceived as unfair but also compromise the efficiency of environmental taxation**
- **Alignment of these sectors with the carbon tax has to be done progressively, with clear roadmaps for different sectors allowing for anticipation and for taking into account specificities of each sector**

### 3. Allocating the revenues in a transparent and coherent manner

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**Risk:** A lack of transparency and coherence can lead to opposition.



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- **Have a transparent, democratic debate about the use of the revenues from environmental taxes – build trust**
- **Reallocate an important share of the tax to the households (2 options: )**
- **Reinvest the remaining revenues in the ecological transition**
- **Ideally: Embed debate on environmental taxes in a debate about a broader fiscal reform**

## 4. Invest in alternatives

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**Risk:** A lack of alternatives makes it difficult to adapt.

- **Long-term investments needed in various sectors**
- **Some priorities: retrofitting of buildings, developing the use of renewables in the heating sector, etc.**
- **Tough questions for the mobility sector : how do you finance public transport in rural areas? How do you avoid conflicting tax incentives (eg. Company cars) ? -> need for coherence**
- **Good practices: bicycle plans (Denmark, Netherlands), extend conversion premium for less polluting cars to second-hand market (France)**
- **Changing habits and social norms takes time**

# Conclusions

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- **Climate/environmental policies will accelerate the transition out of coal +other unsustainable industries and will affect consumers.**
- **Transitions can be an opportunity to build a better future, but timing and management are key – the quicker you act the better you are off!**
- **Convincing actors to engage in discussion and creating the trust in the process is a challenge.**
- **Need for coherent visions: Sustainable development strategies, broader fiscal reforms etc.**