

Just Transition Is About Systemic Change

Article by Dirk Holemans, Green European Journal

May 10, 2022

Since the 1970s, a term has gained prominence as workers have forced governments to look at the social side to their environmental policies: just transition. Today the term is everywhere, its meaning at once elusive but also key to facing the multiple crises of environmental breakdown, social injustice, and global inequality. In a forthcoming collection on the concept and practice, Dirk Holemans unpicks just transition as cause for Greens.

***Green European Journal:* Just transition is a central concept today. It guides the work of international organisations, frames the demands of progressive movements, and helps shape government interventions in the economy. Could you define just transition and explain where the concept comes from?**

Dirk Holemans: It's important to frame just transition as an overarching framework that can guide us through a systemic transformation to a new social, ecological society that is equitable. It's not about superficially greening the economy. We've been trying that since the Kyoto climate conference in 1990 without success; yearly emissions increased by 60 per cent.

For just transition to be about systemic transformation done equitably, we must ask ourselves basic questions. How do we define economic prosperity in a futureproof way? What is social wellbeing? Once we have answered those questions, then we can think about the role that jobs and products should play. Normally, the question is considered the other way around. The economy is taken as the central thing, the basis of our lives, and then we hope that it will bring prosperity and wellbeing. We are living in times that require us to ask the right questions and redefine our answers to them.

A historical analysis of just transition highlights this need to redefine our approach to transformation. Just transition first appeared as a term in the US in the 1970s when new environmental legislation threatened industry workers with job losses. It was a demand to take care of the affected workers. Then in the 1990s, the first proposals began to take shape, again from trade unions in the US. They called for funds to provide financial support as well as opportunities for education for workers displaced by these environmental protection policies. Proposing these funds was an important move because conservative US politicians were already beginning to label environmental protection as bad for jobs.

At the same moment, the COP process was taking shape and slowly – it really took some time – just transition became incorporated into its discourse and texts. The first inclusion was at COP 16 in Cancún but it was only at COP 21 in Paris that just transition became an integral part of the policy framework. From about 2000, the International Labour

Organization played a key role in thinking about decent jobs and environmental protection together through congresses, reports, and guidelines.

Throughout this time, the idea of just transition is not only broadened but also deepened. The first step is that we moved away from the idea that it is primarily about compensation: we have to create new jobs because the environmental policy will destroy certain jobs. First, because it became clear that there would be a lot of new jobs in the low-carbon economy. But second – and here the climate justice movement played an important role – came the development of a more systemic and intersectional approach to just transition that addressed the impact on different minority groups and also asked what “just” really means. Considering the latest IPCC reports, it is clear that “just” must also mean a fair chance for future. Generation at a safe climate as well as an equal distribution of the remaining global carbon budget between groups and countries. This broadening and deepening are where we are today.

Our latest edition - Moving Targets: Geopolitics in a Warming World - is out now.

It is available to read online & order straight to your door.

[READ & Order](#)

You've emphasised that just transition isn't a policy or even a policy framework but a paradigm. But can we look at an example to see what we mean by just transition? Carbon taxes tend to hit people on lower incomes hardest. Can we look at that problem from a just transition perspective?

The key element is that just transition means developing a holistic, systems-thinking approach. Changing one part of a system always can produce negative effects elsewhere, so the essential point of systems thinking is looking at the interactions. It's clear that if you introduce a carbon tax, regions or groups that are already precarious will be the most vulnerable to the effects. For people living in poorly insulated houses or driving old cars because of a lack of public transport, a carbon tax introduced in the name of an ambitious climate policy – like the European Commission wants to do by including transport in the Emissions Trading System – risks reducing the living standards of people already in poverty.

From a holistic lens, just transition is therefore always about how to change the overall system. Carbon pricing can be a powerful policy instrument but it will only be part of just transition when you combine it with carbon dividends used directly and indirectly to support low-income groups, for example. Imagine that the proceeds of a carbon tax are used to support the renovation of poorly insulated homes of people on low incomes. That would be a more systemic approach.

Another important point made in the book is that regions across Europe are very diverse and they need different approaches to just transition. Certain regions require specific investment in infrastructure and education, for example in coal-mining areas. In Spain, the government has worked closely with the unions on planned closures supported by specific policies. Whereas in Finland – and the same might be true across Scandinavia – there is a

strong social welfare state backed by active labour market policies. So there it is possible that reinforcing the universal system makes more sense than targeting specific groups.

Changing one part of a system always can produce negative effects elsewhere, so the essential point of systems thinking is looking at the interactions.

In your opening chapter, you describe just transition as “the meeting of necessity and ethics.” Not only are socially just green policies morally necessary because we want a more socially just society, but they’re also imperative because no green policy will get anywhere politically without social justice. Could you explain this point further?

There are two relevant historical lessons. First, when things change substantially in society, there are always winners and losers. Because of the uncertainty, change always provokes resistance. In the current situation, we know we need to do this just transition fast and that requires massive changes. If the transition does not include all groups and offer an answer to insecurity, there will not be support for it; resistance will grow, and the transition will be blocked.

The second lesson is that uncertainty created by ill-conceived policies is unfortunately the perfect breeding ground for authoritarian leaders and right-wing political parties which – and this is important – usually also support fossil fuel industries and reject just transition policies. We can [see this in Europe](#) but also in leaders such as [Jair Bolsonaro](#). The only way to have these massive changes fast enough is therefore building a certain confidence in that change, which is why we need social justice. It’s clear from the latest IPCC report that high inequality makes climate policies more difficult. It is no coincidence that countries such as Denmark where there is widespread acceptance of ambitious environmental policies have relatively low levels of inequality.

This aspect is key in the current moment. We’ve had [Covid](#) and the disruption it caused to global value chains, and now we have the [war in Ukraine](#). The result is that everything is getting more expensive; the prices of transport, energy, and food are all rising. Even before the war, right-wing parties were blaming green policies for making life more expensive. So, they want to block the necessary transition. Now the same is happening on the policy level, pesticide producers for instance are lobbying the European Commission to slow down the Green Deal in agriculture. Therefore, green actors must develop concrete proposals to show a just transition leads to a better and more affordable life for all, especially for people on low incomes.

In the foreword, Natalie Bennett cites what happened in the 1980s in the United Kingdom during the miners’ strike and subsequent pit closures as an unjust transition with a social and political legacy that lasts to this day. What good examples of just transition do we have?

The classical examples are the German coal mining regions such as the Ruhr. Although it is

not perfect, it is a relatively successful example of a fundamental transition from coal and steel to a knowledge-based economy. The problem is that it took 60 years and that's not something we can afford today. Nonetheless, in the late 1950s, there were 600,000 coal miners in the region so it's an impressive transformation. The transition came with strong government investment in new infrastructure. The Ruhr was a region without universities, but the government funded knowledge centres, which went on to develop technology and spin-off companies, as well as cultural centres and tourism industry. The trade unions were heavily involved. Overall, the case was quite a success although there is still quite some unemployment.

What was underestimated was the impact on the identity and self-esteem of the region. Coal-mining communities have a real shared culture and all social interests are structured around the industry. In such regions, what is needed is to bring stakeholders together so they can build a new vision for the region of which people can be proud. You always have these two things together; it is not just about the distribution of means, recognition and identity are also key.

Spain is also closing its coal mines in a transition deal that the government did together with the trade unions. Around 200 million euros will be invested in alleviating job losses and creating new opportunities. This is the way to do it, democratically and with the stakeholders involved, with clear planning and investment to support people through the change.

If the transition does not include all groups and offer an answer to insecurity, there will not be support for it; resistance will grow, and the transition will be blocked.

The book links just transition to a wider concept of social-ecological contract, a kind of societal project resembling the postwar welfare state in Western Europe. Could you explain more about what a social-ecological contract would mean?

After the Second World War, European countries developed the welfare state to provide most parts of the population with both freedom and security; in other words, democracy and purchasing power. But the welfare state is based on an extractive economy, exploiting people and nature in other parts of the world. This postwar social contract was in effect a contract between companies and workers to share the value created in this extractive economy through the government and the welfare state.

However, it works only in the context of economic expansion, global dominance, and the neglect of planetary boundaries. Furthermore, for quite some years now, wealth inequality has been growing and the income of workers has been stagnating. So, the old contract is broken and it depends on the destruction of our world, the exploitation of people in other parts of the world, and the exploitation of people in our societies. This also means that a just transition for Europe needs to be built in a global, decolonised perspective.

A new social-ecological contract is therefore not just about fixing the old contract but the

creation of a new model, a new paradigm that can again provide freedom and security for all whilst taking planetary boundaries into account.

What kinds of democratic decision-making and participation does just transition need?

It is clear that only participatory decision-making can be successful in the 21st century. People are fed up with top-down policies and we see also a real wave of experiments such as citizens' juries being applied by countries, parliaments, and cities. This kind of participation goes far beyond consolation. Consultation too often means, "You have 28 days to give your opinion and then we will do as we were planning to do anyway."

Real participation and cooperation also mean citizens being part of the transformation of the economy directly. Everyone is concerned about enormously high energy prices right now. I am already a long time member of the citizens' energy cooperation Ecopower. Before the war in Ukraine, we had the lowest electricity price in Belgium. Today our price remains stable while the rest goes up. The lowest and most stable electricity on the market is produced by locally owned windmills and solar panels. Imagine if we build the energy sector from this model. From my perspective, this would be a real just transition for the energy sector. Economic and democratic participation can mean much more than just hearings and feedback rounds.

The book is critically supportive of the European Green Deal. One of the instruments within the European Green Deal is the Just Transition Mechanism. Could you evaluate the European Green Deal from a just transition perspective?

The Just Transition Mechanism has been part of the Green Deal proposals from the outset. Acknowledging that money and investment will be necessary to support certain regions was already something positive. However, just transition was understood narrowly to mean that certain groups and regions will struggle, so they should get some compensation. It is the same with the planned expansion of the European Trade System to the heating and transport sectors. The Gilets Jaunes made people aware that carbon taxes come with the risk of backlash, so the Commission added a mechanism to pay out some compensation to their proposal.

What is lacking was a more holistic understanding of just transition. The Green Deal is already a major change from the pure neoliberal Commission of recent years, but it is still embedded in a mindset of global competition and Europe's competitiveness. It is not about a real transformation of the economy based on the basic needs of everybody. Nor does it incorporate any kind of decolonial perspective.

It's good to be very engaged in the debate because we can steer it in a certain direction. The Commission is open to critiques, as it did with the expansion of the Emission Trading System. But it will be an uphill battle and the fossil fuel lobbies and large agribusinesses will continue to push against ambitious and transformative goals at every opportunity. I believe there's an ongoing battle for the direction the European Green Deal will ultimately take. Will it be much less than we hoped for, or can we push it further?

And there are crucial developments. Right now, wind and solar are the cheapest energy

sources. So even market forces will be in favor of it. We can also point to how fast the transition of the mobility system of some cities was realised. In Ghent, where I live, public spaces have been transformed to be much greener and more convivial. Air pollution has improved massively. We can show that if there are policies and politicians with guts, it can be done and that the change will be better for everyone. With leadership and a real vision for the future, we can build real support for bold policies across Europe.



Dirk Holemans is coordinator of the Belgian Green think-tank Oikos and co-president of the Green European Foundation. His most recent book is *Freedom & Security in a Complex World* (2017, GEF).



The Green European Journal is an editorially independent publication of the Green European Foundation. Its printed editions take an in-depth look at topics from a range of different perspectives and occasionally include feature pieces curated by the editorial team.

Published May 10, 2022

Article in English

Published in the *Green European Journal*

Downloaded from <https://www.greeneuropeanjournal.eu/just-transition-is-about-systemic-change/>

The Green European Journal offers analysis on current affairs, political ecology and the struggle for an alternative Europe. In print and online, the journal works to create an inclusive, multilingual and independent media space. Sign up to the newsletter to receive our monthly Editor's Picks.