Just Transition: Time for a Rethink?

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Since 2019, Spain has been ahead of the curve with the launch of a Just Transition Strategy to protect its historic coal mining regions from the impacts of decarbonisation. Rosa Martínez examines the uptake of just transition in public policy and where Spain's affected regions find themselves today. Progress is encouraging, but accelerating processes of digitalisation and automation mean that it is time to bring the notion of just transition up to speed so it can offer future-proof solutions in a world where employment is increasingly precarious.

In 2015, before the Paris Agreement had been ratified, the International Labour Organization published its <u>Guidelines for a Just Transition Towards Environmentally Sustainable Economies and Societies for All</u>. The concept of just transition, however, was already well established among Green parties and environmental activists. It offered a response to critiques of the ecological transition based on its impact on employment, and also reinforced social justice as a core green value.

From political concept to public policy

In Spain, just transition worked its way into public policy months before the EU decision to end financial aid for the coal mining industry took effect, forcing the closure of mines unable to operate without support. The Spanish Socialist Workers' Party (PSOE), which came to power in 2018 after a vote of no confidence ousted the conservative People's Party (PP), found themselves in a politically delicate situation, given that the most affected areas were made up of socialist voters. The response from the Ministry of Ecological Transition was to create a Just Transition Urgent Action Plan (2019-2021) for the regions impacted by the closure of the mines and five thermal power plants.

Months later, in February 2019, the <u>Just Transition Strategy</u> featured as one of the pillars of the government's Strategic Energy and Climate Framework. The introduction of a social angle in climate policy and the energy transition was a first for politics and would later be adopted by the European Commission in the European Green Deal with its Just Transition Mechanism launched in January 2020.

Where are we now? So far, processes have only been implemented in areas affected by the closure of coal mines and thermal power plants through agreements with local administrations -13 signed to date - with the aim of protecting jobs. In November 2020, a brief progress report was published, detailing the actions carried out to date and giving a sense of the complexity of the challenge undertaken.

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Looking at what has been achieved so far, it is worth emphasising how well designed the Just Transition Strategy is in terms of public policy. It has a rigorous methodology, measurable objectives, and thorough processes that incorporate innovative features such as a participatory dimension and gender perspective. There is no dedicated funding for each agreement reached with local administrations; rather, it is the job of the Institute for Just Transition to gather the necessary resources for each project through existing avenues of financial aid. Any European funds available through the Just Transition Mechanism and the Recovery and Resilience Facility (the centrepiece of the EU's pandemic recovery fund, Next Generation EU) will thus be fundamental. It is also worth noting that grants for the installation of renewable energy plants and green employment programmes include priority criteria for projects located in areas with just transition agreements in place.

Asturias: A 30-year wait

How are these efforts in the name of just transition being perceived in the affected areas? Firstly, it is worth bearing in mind the fact that, since the restructuring process for the mining sector began in the 1990s, most of these regions have failed to create an alternative economy even though they have received considerable funding. The work initiated in recent years by the Just Transition Institute has come up against the lack of foresight and strategy of recent decades which has eroded communities' confidence in any process that promises them a future alternative to coal.

A journalist who has closely followed the just transition processes implemented in the region of Asturias described them as slow, characterised by plenty of agreements, negotiating tables and working groups but lacking in visible leadership to bring together the efforts of the different levels of decision-making involved with a view to devising a medium- to long-term strategy. They also pointed to the tendency of local stakeholders to think in the short term, whether it is in terms of direct investments or projects that are eye-catching yet ineffectual. The last 30 years has given rise to widespread feelings of frustration and abandonment among impacted communities in the region. Still, circumstances have not been at all favourable for moving forward with the just transition agreements signed in 2019: an acting government one year and a global pandemic the next.

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It is also worth considering where each area is starting from, as even within regions situations vary greatly. Look at southwestern Asturias, for instance: a mountainous region with poor connections and a sparse population, where the coal industry was run by small private businesses. With severe shortages in public services (some towns are nearly two hours away from the nearest regional hospital), the area does not attract investment. What kind of transition can take place somewhere that struggled to maintain a stable population even when the mining industry was active?

It is a different story in Nalón and Caudal, Spain's great mining regions located in southwestern Asturias, which gained political notoriety for their strikes and anti-fascist rebellion during the Franco dictatorship. With strong transport links, they have managed to retain inhabitants that commute daily to the region's financial hubs, Oviedo, Gijón and Avilés. In these areas there is a kind of industrial framework that, despite being on the decline, has left infrastructure and know-how that could be useful for future industrial projects. This is also the home of HUNOSA, the large public coal mining company with 800 employees, which should be playing a vital role in the transformation of Asturias's production model but is failing to do so, whether due to inertia, outdated operations or lack of strategic vision on the part of its directors.

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Transitions are never easy. Any analysis should keep in mind how traumatic it is for communities to have to reinvent themselves against the clock when there has always been a guaranteed source of livelihood. With the world now rapidly changing, many residents of impacted communities are left wondering why they did not take advantage of the last 30 years. This raises the inevitable question: what if it is too late for a just transition based on employment in certain regions, despite all the efforts that have been made since 2019?

New terms for a 21st-century just transition

Beyond coal, thermal and nuclear power, the ecological and energy transitions will impact other sectors, such as the car-manufacturing, aviation and petrochemical industries. These impacts will also be split along regional lines and it is worth learning from experiences in other sectors and regions, though some aspects are becoming quickly outdated.

Clearly, it is in the interests of social cohesion and the commitment to leave none behind (central to the United Nations' 2030 Agenda for Sustainable Development) to find alternatives to economic transformation processes that harm a given region's employment and source of livelihood. Yet for many years, politics has aimed to protect businesses at all costs, rather than acting in the public's best interests. The preservation of unsustainable jobs was prioritised, despite this being disastrous for public accounts. By contrast, far less attention has been paid to ensuring a dignified life for those affected by transition while they wait for alternatives to arrive. If in its day the mining industry was the prime example of putting businesses over workers, now history is repeating itself with the car-manufacturing industry.

Another issue worth noting is the gender perspective included in the Just Transition Strategy, which aims to ensure that new employment opportunities are equal. Guaranteeing women's involvement in new opportunities requires political commitment and the participation of various policy areas that span the distribution of care-giving responsibilities, public services, training and employment.

However, it is crucial to extend the concept of just transition beyond green transformation. The other vector of productive transformation – digitalisation – will have a huge impact on employment, particularly in jobs and sectors requiring lower-skilled labour. Despite how its impacts will be spread across regions and societies, should we not consider how to avoid leaving behind the millions of people who will be affected by the automation of production and services? With forecasts indicating that digitalisation will lead to a net destruction of jobs, surely it would make sense to start designing other, complementary just transition models that are not based exclusively on the creation and preservation of jobs.

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Just transition processes should not be sidelined in wider ongoing debates about the future of work. If the increasingly precarious state of employment means we need to rethink social protection policies, this should form the basis of just transition plans for two reasons: first, because processes that affect employment require emergency solutions aimed at protecting the livelihoods of those affected, since short-term need should not determine medium- to long-term strategy. And second, because making promises about welfare based exclusively on job creation might no longer be possible in the 21st century, given the nature and speed of change today.

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forward a new paradigm. Primarily, it should be connected with other debates deeply linked to the ecological transition beyond energy and climate: the distribution of work, the reduction of production and consumption levels, the physical limits of the energy transition and digitalisation, and universal basic income. Secondly, it will be necessary to develop a new vision that aspires to the idea of "prosperity with fewer jobs".

In politics there is a strong reluctance to recognise just how difficult it will be to return to previous employment levels. However, it is inescapable that the creation of a production system built on jobs that are green, skilled and of high-added-value will be a lengthy process and one as uncertain as the world we live in.

A transition that leaves none behind

The transition to a green and digital economy is already underway; we are moving towards decarbonisation and digitalisation. The Next Generation EU fund will speed up these processes and their impacts, both positive and negative. Now more than ever, the just transition conversation must be grounded in public policy that is rigorous, measurable and evaluable. Spain has done a good job in this respect with its well-designed, medium- to long-term just transition strategy.

The processes already in motion in regions affected by the closure of coal mines and thermal plants allow us to gauge the mood of the population, which is largely characterised by impatience and scepticism following 30 years of poor preparation. They also demonstrate the importance of recognising where each area is starting from: no two processes will be the same, and a tailor-made approach will make all the difference when it comes to designing economic alternatives.

Lastly, while preserving jobs is a necessary and entirely legitimate goal, the current rate of change demands a rethink of the discursive framework of just transition. Given the complexity of today's world, it would be prudent to connect with other ongoing debates, such as the future of employment or universal basic income. The ecological transition is much more than a case of decarbonising the economy. There will be social, cultural and relational repercussions that must be accounted for in order to uphold the central tenet of just transition: to leave none behind.



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