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# *The Just Transition : a new horizon for international cooperation*

## **1/** HOW CAN WE DEFINE THE “JUST TRANSITION”?

The concept of “just transition” is celebrating its 30th anniversary in 2023. It was in 1993 that American labor leader Tony Mazzocchi <sup>1</sup> foresaw that the jobs, incomes and pensions of employees in the fossil fuel industries in the United States would soon be subject to strict environmental constraints due to the already looming climate crisis. He thus proposed a way to protect them, at the time a “Superfund”.

The idea of a just transition has since then gained ground and is now on the agenda of many national and international organizations and government institutions (e.g., ILO, IPCC, Belgium, Scotland, and others). Since the COP 26 declaration in December 2021<sup>2</sup> and the launch of the first “Just Energy Transition Partnership” (JETP) agreements, the just transition has even become a core topic of climate negotiations.

Yet, it is necessary to agree on the meaning of the term. “Just transition” should no longer be understood only as social support or financial compensation for policies to mitigate ecological crises. Rather, it should be considered more broadly as a holistic social-ecological transition strategy to be deployed on all fronts of ecological crises.

1 Mazzochi, Tony. “A Superfund for Workers”, Earth Island Journal 9, No. 1 (1993), pp. 40–41.

2 “Supporting the Conditions for a Just Transition Internationally”, which was preceded by the 2018 “Silesia Declaration”.

### **In this broader perspective, just transition public policies entail (Laurent, 2023)<sup>3</sup> :**

- Systematically analyze ecological shocks (e.g., heat waves and floods) and ecological policies (e.g., energy and/or carbon taxation) from the perspective of social justice, with the dual aims of minimizing social inequalities and environmental degradation and maximizing social and environmental co-benefits ;
- Giving priority, when designing just transition policies, to dynamic human well-being and informed by these justice issues, rather than to maximization of economic growth. In other words, the just transition should be carried out as part of a “well-being economy,” promoting human development (health, education, employment) within planetary limits ;
- Designing and implementing just transition policies democratically, by ensuring citizen understanding, support, and participation.

## **2/ WHAT WOULD “JUST TRANSITION” POLICIES LOOK LIKE ?**

Implementing a just transition policy basically means linking social issues and environmental challenges in order to enable simultaneous progress in both areas, either because progress in one field leads to progress in the other (as in the case of making a home more energy efficient, whereby environmental progress leads to social progress), or because the outcome of social-ecological policy leads to parallel progress in both areas (as in the case of a carbon tax whose proceeds benefit the poorest).

However, in many cases, considering and designing a just transition policy consists in recognizing potential conflicts and trade-offs between social and environmental issues to turn them into social-ecological synergies. For instance in the case of carbon-energy taxation without social compensation and urban air pollution mitigation via low-emission areas without adequate

financial support for low-carbon mobility, measures that can have harmful social and political consequences, widening social inequality and driving people away from transition policies. This doesn't mean reconciling ecological and social dimensions is impossible: it simply means that trade-offs must be acknowledged and turned around (e.g., a low-emission area with sufficient social compensation can improve the health of the most vulnerable people while ensuring their access to mobility and standard of living).

### **Three types of just transition policies ensue from the three types of action described above:**

- Measuring and mitigating the inequalities of the current “non-transition”: when ecological crises worsen without a suitable response, the outcome is social inequalities that affect the poorest above all (this is the social cost of non-transition). These environmental inequalities (such as energy poverty and food insecurity) must be made visible and mitigated ;
- Reducing social inequalities to mitigate ecological crises and vice versa: tax policies aimed at reducing inequalities in income or wealth can mitigate environmental degradation, while ecological transition policies can reduce social inequalities and improve the well-being of the poorest and most vulnerable people ;
- Designing and then implementing social-ecological policies with citizens, which can—both here and now and in the long term—reduce social inequalities and environmental degradation simultaneously (this is typically the case of sustainable housing policies).

<sup>3</sup> Laurent, É. Économie pour le XXI<sup>e</sup> siècle: Manuel des transitions justes. La Découverte (2023).

## FOUR PRINCIPLES OF THE GLOBAL JUST TRANSITION

- 1. Support for workers in the transition to new jobs:** We intend to support communities and regions that are particularly vulnerable to the economic, employment and social effects of a global transition away from carbon-intensive activity, and will take account of the impacts of this transition on developing and emerging economies.
- 2. Support and promote social dialogue and stakeholder engagement:** We recognise that the development of effective, nationally coherent, locally driven and delivered just transition plans within countries are dependent on effective and inclusive social dialogue.
- 3. Economic strategies:** We recognise that supporting a just transition from a carbon-intensive economy to a net zero future not only involves support for clean energy to strengthen the ecological foundations of the economy, but also requires enabling frameworks and wider economic and industrial support for workers, enterprises, communities and countries to create sustainable, competitive economies that foster resource-efficient economic growth, create income and decent jobs, and reduce poverty and inequality.
- 4. Local, inclusive, and decent work:** We will aim that new jobs, and transitioning jobs, support the creation of decent, formalised, and sustainable work for people in their local areas, which is coupled with effective support for reskilling and training, as well as adequate, inclusive, and sustainable social protection for those in need.

Source: Supporting the Conditions for a Just Transition Internationally, décembre 2021.  
Signée par le Royaume-Uni, l'Autriche, la Belgique, le Canada, le Danemark, la France, l'Allemagne, l'Irlande, l'Italie, les Pays-Bas, la Nouvelle-Zélande, la Norvège,

## 3/ FROM JTT TO JETP : TOWARDS A HOLISTIC JUST TRANSITION

In the field of international cooperation, the concept of just transition first took concrete form as the Just Transition Transaction (JTT) partnership. This mechanism backed by a multilateral consortium seeks to phase out coal in the South African energy mix, in the spirit of the Paris Agreement <sup>4</sup>.

This first partnership had limited scope but was subsequently expanded to take the form of the “Just Energy Transition Partnership” (JETP) announced at COP 26 in Glasgow in November 2021, in the wake of the Just Transition Declaration (see box).

Five donors subsequently granted \$8.5 billion to the South African government, which published its JETP investment plan (JETP IP) at the Sharm El Sheikh COP 27 in November 2022. This IP indicated that the

JETP could avoid up to 1.5 gigatonnes of greenhouse gas emissions over the next two decades. That same month, a second JETP with Indonesia for \$20 billion was signed, followed in December 2022 by a third partnership with Vietnam for \$15.5 billion. At the European Union – African Union Summit on February 18, 2022, a proposal was made to establish new partnerships for a just energy transition in Africa, the first one signed with Senegal.

Energy partnerships for a just transition thus started with a sectoral prototype for a single country but are becoming more comprehensive: they now include all aspects of national energy strategies and are applicable to multiple countries. This can be seen in the “Climate Promise” initiative launched by UNDP, which is helping 34 countries and territories around the world (e.g., Serbia, Costa Rica, and Zimbabwe) to consolidate the principles, processes and practices of the just transition.

<sup>4</sup> Steyn, G.; Tyler, E.; Roff, A.; Renaud, C.; Mgoduso, L. “The Just Transition Transaction: A Developing Country Coal Power Retirement Mechanism”. Meridian Economics, Cape Town, South Africa (2021).

**This approach of expanding the just transition so that it is more holistic could continue in five directions :**

- On the climate-crisis front: by combining objectives to reduce greenhouse gas emissions with objectives to improve human well-being, starting with employment and health objectives ;
- By linking targets to reduce greenhouse gas emissions in developing countries to the acceleration of emission reductions in the OECD countries, with the goal of achieving a global just transition ;
- By expanding the scope of just transition partnerships to include response to ecological shocks, starting with climate shocks (heat waves, droughts, floods, etc.), in order to reduce the social inequalities, they generate ;
- By expanding the scope of just transition partnerships to include ecosystem and biodiversity preservation in relation to human well-being, in a relational and non-instrumental approach to natural resources and non-human species as promoted by IPBES <sup>5</sup> ;
- By strengthening the participatory dimension of just transition policies, especially by ensuring that the rights of indigenous communities are respected, as promoted by the global strategy of COP 15 <sup>6</sup>.

<sup>5</sup> Pascual, U.; Balvanera, P.; Anderson, C.B. et al. "Diverse values of nature for sustainability" *Nature* 620 (2023), pp. 813–823.

<sup>6</sup> Kunming-Montreal Global Biodiversity Framework, December 2022.



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