

## REFLECTION NOTE

### ERCST Roundtable Discussion on Just Transition Framework

**In the past, the world has experienced many socio-economic transitions**, to name a few, the industrial transition, the automation transition or from centrally planned to market economy.

**Nowadays, the green transition is underway** and as with many other transitions, it will entail deep structural changes in our economy – adjustments and relocation of entire industries, decline in economic output, employment levels and household income.

The key question is no longer why or whether a sustainable transition is necessary but how to **operationalize it while ensuring it is just and fair for all**.

**The ‘Just Transition’ concept captures and aims to reconcile a broad spectrum of issues that arise about matters of fairness** surfacing in the global shift to a low-carbon economy.

**This transition will not only affect fossil fuel and coal-dependent regions but also whole industries, hard to abate sectors** (e.g., cement, iron and steel, aluminium, fertilisers, electricity) **and their related value chains** (e.g. automotive, construction).

**The social impacts, effects, and implications of the low-carbon transition will have different natures:** regional, sectoral and distributional (link to presentation).

**The impacts of the transition are going to be reflected at all levels of society**, including national jurisdictions, regions, companies, workers and households (Table 1)

**Table 1.** Who is impacted and how?

Actors impacted by green transition	Effect(s) of green transition	Type of the effect
National jurisdictions	Changing energy mixes	Systemic; Sectoral
Specific regions dependent on fossil fuels	Corporate bankruptcy, unemployment, and social unrest	Regional
Companies with a direct and indirect carbon price	Whole supply chain, increased price of carbon and thus increased average costs	Sectoral
Workers	Unemployment, spatial effects, income loss	Distributional
Households	Energy poverty, higher volatility of energy prices, increased transport costs, etc.	Distributional

**Source:** ERCST, 2021

**In the EU, the idea of Just Transition is very much ingrained in its political and legislative framework.** The mechanisms that aim to mitigate the social impacts of the transition in the EU are the Coal Regions in Transition Initiative, the Just Transition Mechanism and other funds that tackle social objectives such as the Modernization Fund and the Social Climate Fund (please refer to ERCST’s presentation).

**In other regions of the world, we also see positive action towards Just Transition.** For example, South Africa, in its efforts to transition from coal as primary energy supply for the country, has established a strong national framework by including Just Transition in its NDC, in the National Development Plan, establishing a national level social dialogue and a coordination commission which includes JT<sup>1</sup>. Another example is the Scottish approach to JT, where the just transition principles were enshrined into law along with their net-zero targets<sup>2</sup> and a Just Transition Commission was created.

Even though several countries, regions and corporation are shaping their agendas to include Just Transition considerations into their planning and strategies, still **many questions need to be answered on what will be the best way is to manage this transition and, on the current efforts, to make it fair and inclusive.**

**Some of these questions are:**

- Is enough being done to ensure a fair and just transition that protects workers and communities?
- How can policy drive sustainability and just transition?
- Is the JT discussion systemically embedded or still just an “add on” element within the transition considerations – especially when designing climate policies?
- What are the main concerns/needs of the impacted stakeholders by the transition? Are these groups being proactive in tackling the transition and their needs?
- How do you measure the social impacts of the transition and subsequently plan and prepare to address them? How can you address these impacts in a rapid and cost-efficient way?
- What are the existing indicators, tools, mechanisms, and frameworks that key actors – governments, regions, local communities, and workers - use in order to prepare and plan for the transition?
- With the European energy crisis and the REPowerEU plan<sup>3</sup>, what will be the social implications as well as challenges and opportunities?
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In light of these questions and as part of the Just Transition workstream, **the ERCST team decided to explore and put together a preliminary framework that will help to assess the social impacts of the transition and provide guidance on how to develop a vision for a just transition that will, in turn, translate into concrete actions.** The framework will entail mainly three parts: 1) the principles for a JT, 2) a set of indicators to measure the social impacts of the transition and 3) guidance on how to build a JT strategy based on the impacts analysis.

The framework will ideally aid to increase preparedness and early action in ensuring a just transition which can minimize the negative impacts and maximize positive opportunities. Local and regional authorities along with civil society and the private sector should be in the condition to take the lead and be capable to identify functional and cost-efficient solutions on the ground.

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<sup>1</sup> 2020 Presidential Climate Change Coordination Commission’s (PCCCC) mandate to coordinate South Africa’s Just Transition

<sup>2</sup> 2019 Climate Change (Emissions Reduction Targets) Act

<sup>3</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2022%3A108%3AFIN>

**Acknowledging the fact that a just transition is not a fixed set of rules, this framework aims to provide guidance and support to assess the current situation and build a vision and a process for a Just Transition.**

With this work, ERCST would like to help the research and policy community to shape their agendas towards a fair and just transition.

**Other materials:**

- [Policy Brief: Unlocking the governance challenges of Just Transition in the EU](#)
- Jan 27 webinar and workshop materials: [Just Transition Governance and Financing across EU Member States](#)
- Sep 16 webinar and workshop materials: [Corporate Action on Just Transition](#)
- Results from Workshop Survey

**What key indicators would you use to measure whether a transition is just? (in one or a few words)**

