

## IASS-Blogpost

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### Energy Transitions

## The Politics of Just Transitions: Definitions Matter

Just Energy Transition Partnerships (JETPs) represent a novel approach to financing the energy transitions in emerging economies. Spurred by the announcement of the Just Energy Transition Partnership with South Africa at COP26, a host of other countries have since expressed interest in their own JETPs, including Indonesia, Vietnam, and Senegal. Nonetheless, while COP27 may witness the announcement of several new JETPs, these partnerships will likely vary in scope, size, and ambition. This is especially true for “just transition” policies, which have real-world consequences for the inhabitants of recipient nations.

### What are JETPs?

Fundamentally, JETPs aim to accomplish three goals: 1) facilitate the early decommissioning of coal-fired power plants; 2) mobilize private sector capital to fund decarbonization activities; and 3) deliver a “just transition” for citizens. Dubbed a “country platform,” this form of bilateral engagement seeks to address a nation’s energy system as a whole rather than funding individual projects. In this way, JETPs aspire to become greater than the sum of their parts.

At the same time, JETPs are country-driven and tailor-made, meaning that: 1) recipient governments lead negotiations with donor nations; and 2) partnerships are crafted to meet each country’s self-defined needs. At their core, just energy transitions seek to merge a country’s climate and sustainable development goals. Emerging economies have vastly different starting points regarding their domestic energy transitions, including varying energy mixes, quantities of emissions, and levels of electrification. Likewise, governments have diverse visions for sustainable development based on their individual resources and national contexts. For these reasons, it is natural for JETPs to assume a variety of forms.

While climate targets are relatively easy to quantify, just transition concerns leave much more room for interpretation. Indeed, although many governments claim to emphasize just transition concerns, each government approaches JETP negotiations with a different conception of justice. These conceptions will affect millions of people in recipient countries and, ultimately, may prove critical to the long-term success of JETP-style agreements.

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### Just transitions in practice

Originally conceived in the 1990s, the term “just transition” was first used by labor activists to advocate for workers who lost their jobs due to environmental protection policies. Since then, however, actors have expanded the phrase to describe the general incorporation of social considerations in energy transition decision-making. In many ways, the inclusion of just transition goals in JETPs is a response to growing attention on the social dimensions of energy transitions in emerging economies, although this depends greatly on the domestic political situations of recipient countries.

In practice, one way to classify just transition goals is through the lens of distributive justice, or the fair distribution of resources and opportunities. In South Africa, for example, the government hopes to transition away from coal-fired plants while addressing related social concerns, namely job displacement of coal workers. Although the government has not yet announced its plans to provide economic relief to the nearly 120,000 workers dependent on coal value chains, it has indicated its desire to avoid exacerbating inequality in South African society as part of its domestic energy transformation. Indeed, South Africa already suffers from immense social and economic inequality, which would only be aggravated by the retirement of coal-fired power plants. Thus, by retiring coal plants and building clean energy infrastructure in a way that does not create or contribute to systemic injustices, the South African JETP places affected workers at the center of its just transition response.

In other countries, however, distributive justice takes on an entirely different form. In Senegal, the government views a JETP-style agreement as a way to increase access to electricity for citizens. Indeed, within the country’s 70.4 percent electrification rate, there are significant disparities in electricity access between urban and rural populations. Senegal thus views justice as increasing electrification rates, primarily through natural gas development. Other countries, such as Nigeria, would likely characterize their just transition goals in a similar way.

A second way to classify just transition goals is through the lens of procedural justice. Taking a step back, procedural justice focuses on the processes by which distributive justice is reached. By centering on the relationships between authorities and citizens in decision-making processes, this framework considers how procedures influence the authenticity of just outcomes. In general, procedures are considered more “just” if they promote fair and inclusive dialogue between interested stakeholders.

Returning to South Africa, the government has prioritized the inclusion of affected workers and communities in relevant decision-making processes. Through intensive consultations with labor unions and community members, it has built productive relationships with affected groups and provided outlets to incorporate their concerns into their JETP investment plan. While not without its flaws, this process nonetheless highlights the government’s effort to align its vision of distributive justice with its mechanism for delivering it.

In other countries, however, there are significant gaps between distributive justice goals and procedural justice mechanisms. In Indonesia, for example, the government has indicated its intention to announce a JETP-style political declaration in the coming months. Indeed, similar to South Africa, Indonesia relies on coal for a significant portion of its electricity generation, employing at least 120,000 workers in the coal sector. However, while the Indonesian government has stated its goal to protect affected workers, it has yet to institutionalize consultations between itself, PLN (Indonesia’s state-run energy company), and organized labor.

Perhaps more concerning is Vietnam, which recently imprisoned several climate leaders for allegedly pressuring the government to increase its clean energy goals. Although the Vietnamese government

has consulted with donor nations about reaching its own JETP-style arrangement, it remains unclear how any such partnership could be considered “just” if the government continues to silence independent environmental voices.

### **Just transitions moving forward**

On one level, these case studies raise questions about the ultimate utility of the phrase “just transition.” While it is important to recognize the different development trajectories of emerging economies, just transitions can potentially lose their salience if governments have increasingly divergent conceptions of the phrase. Indeed, while one would like to think that JETPs intend to improve the lives of citizens, or at the minimum avoid creating injustices, this has yet to be demonstrated on any significant scale.

Moreover, if just transitions become co-opted by governments with little regard for justice, they can become fronts to justify energy transition policies that are potentially harmful to citizens and the environment. Here, it may be useful for international donors to publish general expectations for just transition goals and set minimum justice standards as conditions for JETP disbursements.

Nonetheless, this may lead to increased tension with governments in less democratic societies.

Moving forward, it is important to support just transition programs, such as JETPs, that promote developing countries’ climate and sustainable development goals. Nonetheless, it is also important to grasp the self-defined nature of just transitions and tension between the aspirational nature of the partnerships and the political realities of recipient countries. At worst, this tension could undermine the credibility of actors supporting just transition processes and render the concept meaningless.