



WORLD SUSTAINABLE DEVELOPMENT SUMMIT 2022

**TOWARDS A RESILIENT PLANET:
ENSURING A SUSTAINABLE AND EQUITABLE FUTURE**

February 16-18, 2022



People-Centred Transition – An Indian Perspective

February 16th, 2022, 3.30PM – 5:00 PM | Duration: 90 minutes

About the World Sustainable Development Summit (WSDS)

The World Sustainable Development Summit (WSDS) is the annual flagship Track II initiative of The Energy and Resources Institute (TERI). Instituted in 2001, in 2021, the Summit series marked 20 years in its journey of making ‘sustainable development’ a globally shared goal. Over the past two decades, the Summit platform has pioneered conversations by bringing together governments, scholars, corporates, youth groups, thought leaders, and civil society representatives from across the world.

The present state of planetary health and humanitarian crises calls for revisiting the agenda around global action and equity. The 21st edition of the WSDS is being held under the umbrella theme of ‘Towards a Resilient Planet: Ensuring a Sustainable and Equitable Future’ from 16th to 18th February 2022 in a virtual format.

1. Background

Energy transition is one of the key drivers that can righteously help keep us on the path of climate change mitigation and ensure the eventual survival of humanity on earth. While there is no doubt that a zero-carbon world is possible, what we do need to choose is how we enable such a transition. This is where the aspect of ‘People-Centred Transition’ comes into play, as it warrants environmental sustainability as well as decent work, social inclusion and poverty eradication.

The sectoral and economic transformation which India is likely to face due to its reliance on fossil fuels is extremely high. If the transition is not handled correctly, we can potentially see an exhaustive increase in stranded workers and communities. Coal mining’s contribution to the mining sector income in India is substantial. The mining sector makes up around 2% of the Indian economy and the coal sector approximately accounts for about 0.7% of the Indian economy. Undoubtedly there exists a strong interdependence between mineral extraction and local livelihood activities. Coal mining also generates large-scale employment opportunities. Estimates show that around 1.2 million people are employed in India’s coal sector; additionally, a large unaccountable informal economy is attached to the coal sector and heavily depends on it for communities’ livelihoods. Much of this employment is contained in coal-producing states, including Jharkhand, Odisha, Chhattisgarh, West Bengal, Madhya Pradesh, Telangana, and Tamil Nadu.

2. Imperative of People-Centred Transition

A People-Centred Transition will require policies and plants that ensure that the transformation is not only about phasing out polluting sectors, but it’s also about new jobs, new industries, new skills, new investment and the opportunity to create a more equal and resilient economy.

A people-centric transition needs to focus on three critical aspects of social justice: (i) Procedural, (ii) Distributive, (iii) Restorative. Procedural justice is achieved through facilitation of an inclusive decision making process, which addresses understands and addresses the concern that the transition will have differing impact on different stakeholders. Distributive justice is about efficient and equitable allocation of monetary funds and resources for people impacted by the transition, while restorative justice is empowering stakeholders by engaging in large-scale structured social dialogue partnerships – namely, dialogue between government, employers, workers and communities.

Implementing these three components of social justice in a Just Transition framework necessitates efforts on identifying affected stakeholders and communities and their existing skillset to offset historical inequities. The skillsets need to be complemented with new industry and job creation and aligning them with existing or planned industrial and labour policy. It also necessitates funding financial packages for reskilling where required, compensation for existing fossil based industries, workers and for tackling environmental remediation to promote social benefits to the community at large. All this needs a coordination between local stakeholders, state and central government machinery, private industries, domestic and global philanthropies and MDBs.

Global Perspective

Over the years, countries that have triumphantly succeeded in implementing the notion of just transition have strategically focused their approach towards community building, reskilling and enhancing social dialogue partnerships. For instance, mining for hard coal in Germany officially came to an end on Friday, 21 December 2018. The decision to shut the last hard coal mines was made in 2007. The aim of the transition was to wean mining communities off coal onto new and cleaner enterprises. The process was a long time in the making as in the 1990's the German government started to reduce hard coal subsidies in order to reduce their largescale adoption. Its resulting impact on employment led to the labor union and German government signing an agreement to guarantee a socially responsible downsizing of employment. The country focused its strategic approach of transition around 3 principles:

- Slow and gradual transition with a high level of social dialogue
- Active labor transition management
- Engagement in industrial and regional development

In 2015 when countries released the list of their Nationally Determined Contribution (NDC) to combat climate change, South Africa became the only country to include the phenomenon of Just Transition within its NDC. The idea of just transition in the country came from the workers and labour unions of the country during 1980's and 1990's when they participated with civil society groups on several environmental justice campaigns. Additionally, The Congress of South African Trade Unions (COSATU) in 2010 passed the resolution for just transition, a resolution which later led to the creation of several white papers on equitable transition and climate justice.

The four pillars that makeup South Africa's Just Transition Framework are:

- Distributional impacts
- Intention
- Recognition
- Procedural Justice

These pillars have served to bridge the gap around governance measures, citizen participation, social inclusion and large-scale dialogue across all groups of people. This is exemplified by the approach of the Presidential Commission on Climate Change, which brought together diverse local stakeholders to inform the country's just transition dialogue, reporting to the President's Office. This combination of local stakeholder mobilization and political commitment to just transition at the highest levels of central government enabled the agreement of a historic South Africa Just Energy Transition Partnership at COP26¹, where international partners pledged an initial \$8.5bn to support the country's just transition from a coal-based to a clean energy economy.

Additionally, Scotland's approach has been more towards refurbishing its legislative structure with respect to just transition as it has successfully incorporated just transition principles into its climate legislation. Under the legislation, the government is obliged to update their climate policy plan every five years and explain how these principles have been taken into account with respect to different regions and sectors of the economy. The government in 2018 also established a 12 member just transition commission, which includes experts from all areas. Colorado² in the US has taken a proactive approach of forming a Just Transition Office under the Governor that has sought a social dialogue in coal affected communities and industries and prepared a transition roadmap

While certain elements from international examples of people-centric transition strategies can be integrated seamlessly in India, there will however be uniqueness in India's approach to its just transition. There is a cultural symbolism within coal mining communities about their work in the areas of Jharkhand, Chhattisgarh and Assam. This sociological paradigm makes the role of social dialogue partnership even more critical in India, a tool which was used effectively by

¹ <https://ukcop26.org/political-declaration-on-the-just-energy-transition-in-south-africa/>

² chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/viewer.html?pdfurl=https%3A%2F%2Fcdle.colorado.gov%2Fsites%2Fcdle%2Ffiles%2Fdocuments%2FColorado%2520Just%2520Transition%2520Action%2520Plan.pdf&clen=433404&chunk=true

Germany to phase out coal excavation practices in the Ruhr district, or Spain in reaching its Just Transition Agreements³ between the government, coal workers and industry.

3. The track and discussion

In this thematic track we will deliberate upon the opportunity that the principle of ‘People-Centred Transition’ presents, and how India can bring together innovation, deployment of clean technologies and investment in green infrastructure, skills training, redeployment, labour market policies and community development and renewal.

The discussion in particular will focus on four key pillars of transition including (i) *Social dialogue*, (ii) *The role of government agencies (including the role for the welfare state)*, (iii) *Upskilling*, (iv) *Regional Investment strategy*

4. Key Questions and Comments

- What lessons can be learned from global success stories of just transition?
- How to make sure distributive, allocative and procedural justices are adhered to?
- What is the role of different stakeholders in India to ensure that the energy transition will be just?
- How can CSR help in in reskilling and rehabilitation of the workforce?
- What mechanisms can be used to develop or incorporate sectoral transition plans into national climate plans?
- How best to connect local action and movements to national policies?

³ https://www.miteco.gob.es/eu/transicion-justa/acuerdoporunatransicionenergeticajustaparacentralestermicascenierreen_tcm35-509583.pdf