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A POLICY TOOLBOX FOR JUST TRANSITIONS

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KEY FINDINGS

A socio-economic transition is underway, underpinned primarily by climate change and the Fourth Industrial Revolution. People, communities, companies and countries, however, have a different ability to respond and adapt to the disruption. This is compounded by the persistence of a deeply unequal political and economic system. This has led to calls for a “just transition” to an inclusive green economy, to ensure that vulnerable stakeholders are better off through the transition process, or at least not negatively impacted by it. Yet the scope and application of the just transition agenda remain a source of debates and disagreements.

First, the scope of beneficiaries considered by various conceptions of the just transition agenda differs widely, from workers only to society at large. Here, a meaningful understanding extends beyond directly impacted workers and communities to include all vulnerable stakeholders that may be directly and indirectly affected. However, it also recognises that not everyone in society is vulnerable.

Second, the degree of ambition (i.e. action) associated with the just transition paradigm also varies extensively. This spread can be categorised along three dimensions of transitional justice:

- Procedural justice focuses on the form and aims at facilitating an inclusive process;
- Distributive justice deals with the distribution of risks and responsibilities, and focuses on addressing the direct impacts resulting from the transition process; and
- Restorative justice considers damages against individuals, communities and the environment and provides a framework to rectify or ameliorate the situations of harmed or disenfranchised communities.

As depicted in the table below, there is no agreement between stakeholders on the degree of ambition that should be pursued, with goals ranging from marginal reform to transformation. In some cases, stakeholders even aim to maintain the status quo rather than achieve a just transition. Importantly, the just transition is only truly effective and transformative in its most ambitious versions, when striving to bridge the three dimensions of transitional justice (i.e. procedural, distributive and restorative justice) with a transformative agenda that overall integrates social, environmental and economic justice.

APPROACHES	TRANSFORMATIVE NATURE	DISTRIBUTIVE JUSTICE	PROCEDURAL JUSTICE	RESTORATIVE JUSTICE
Status quo: Reactionary approach	None: rejects “just” and “transition” aspects	No just transition		
Status quo: Neoliberal approach	None: Progressive greening of capitalism	No just transition		
Managerial reform	Limited: Only addresses some impacts	Focus on workers	Limited to firm level	Not considered
Structural reform	Intermediate: Addresses impacts and some of the root causes	Considers workers and communities	Promotes bottom-up approaches for workers and communities	Peripheral
Transformation	Strong: focuses on the root causes as well as impacts	Considers all vulnerable stakeholders	Rooted in bottom-up, democracy and solidarity.	Core aspect

Looking at implementation, a set of tools and mechanisms is available to foster a just transition. Most (if not all) have already been used in various contexts, although they generally are yet to be harnessed within a just transition context. The table below details the key features and some examples of policy interventions for each dimension of transitional justice.

DIMENSIONS OF JUSTICE	KEY FEATURES	EXAMPLES
Procedural justice	Voice Dignity and respect Neutrality, impartiality and transparency Trustworthiness	Ongoing public engagement Permanent community/grassroots forums Active support for participation of vulnerable stakeholders Mix of open, direct democracy and representative democracy
Distributive justice	Labour market policies (passive and active) Industry policy (functional and selective) Social protection (contributory and non-contributory)	Minimum wage policy, high working condition standards Retraining/reskilling and job placement schemes Industrial finance, empowerment policies, sectoral roadmaps Unemployment insurance, universal basic income
Restorative justice	Socio-economic empowerment Socio-cultural restoration Environmental restoration	Improved access to housing and public services (Mining) land rehabilitation, environmental protection Non-predatory use of land Social ownership of assets

Operationally, while the part played by various stakeholders effectively depends on the degree of ambition being pursued, a just transition is not achievable without all parties contributing.

A fundamental issue is who should pay for the required interventions. Too often, the costs of transition (as well as negative externalities) are socialised despite benefits having been (and remaining) privatised. A genuine just transition agenda aims to achieve a more equitable repartition of costs and benefits between stakeholders.

Overall, achieving a just transition will be an incremental process made of small progress, important breakthroughs and some setbacks. Political will from all stakeholders, notably to reach consensus and engage with diverging views, is here the main driving force, for the opposition of only one group can derail the process. Whether a just transition can be achieved depends on it.

The just transition is only truly effective and transformative in its most ambitious versions, when striving to bridge the three dimensions of transitional justice – procedural, distributive and restorative justice – with a transformative agenda that overall integrates social, environmental and economic justice.

1. INTRODUCTION

A socio-economic transition is under way. It is a confluence of multiple factors. At the core, two major trends underpin it. First, climate change has taken centre stage. The increased occurrence of physical impacts serves as an alarming reminder of the consequences of inaction on mitigating climate change. In turn, the strengthening of the global climate regime has led to amplified action and policy responses, with shifts in trade, finance and investment trends (IPCC 2018; TCFD 2017). Second, technology is rapidly evolving, entering the Fourth Industrial Revolution. New (or rediscovered) technological developments are reshaping every value chain or aspect of life, with drastic implications on economic activities, the world of work and social cohesion (Schwab 2015). Like every transition, it is disruptive. Like every transition, it brings risks and opportunities. Everyone is set to be impacted, either positively or negatively.

People, communities, companies and countries, however, have different abilities to respond and adapt to the disruption. Large corporations, their shareholders and to a lesser extent highly-skilled workers and high-income communities have a much greater ability to withstand shocks and respond to them than vulnerable stakeholders, such as unskilled and low-skilled workers, small businesses and low-income communities. In addition, the response to impacts (or absence of response) by businesses and other resilient stakeholders shapes how value chains and the economy as a whole evolve. This is not true for vulnerable stakeholders (Makgetla et al. 2020).

This situation is compounded by the persistence of a deeply unequal political and economic system. Entrenched and rising asymmetries of market power, social power and political power in the global political economy, organised around global value chains and production networks, have been key determinants of socio-economic inequality (Phillips 2017). Despite some marginal progress over the last couple of decades, global income inequality levels between and within countries remain outstandingly high. In 2019, the top 1% and top 10% of the world's population respectively captured 19% and 52% of global incomes, while the bottom 50% only collected less than 9%.¹ In addition, while the number of people living in extreme poverty (less than US\$1.90/day) has decreased, the very poorest people in the world have not seen their material living conditions improve. In fact, the number of people living below the poverty line in Sub-Saharan Africa has increased over the past three decades.²

This skewed situation has led to calls for a “just transition” to an inclusive green economy (Just Transition Research Collaborative 2018; ILO 2015). The just transition agenda aims to ensure that vulnerable stakeholders are better off through the transition process, or at least not negatively impacted by it. The concept emerged out of the 1970s labour movement in the United States (US) in response to toxic waste clean-up policies, which disproportionately impacted minority and vulnerable workers (Makgetla 2019). As a result, labour movements and environmental justice organisations campaigned for a “just transition”. This led to supportive policies for workers facing job losses, so that they could transition to new livelihoods. Since then, the concept has risen within the labour movement and beyond, reaching global prominence with the 2015 Paris Agreement on Climate Change. Indeed, the preamble of the Paris Agreement refers explicitly to the need for a “just transition of the workforce” (United Nations 2015: 2).

To date, just transition discussions have almost exclusively focused on the coal value chain, the phasing out of coal-fired power plants and associated coal mines, and the subsequent impact on affected groups. The carbon intensity of coal-based activities and their prominence in global energy

¹ Data extracted from the World Inequality Database, available at <https://wid.world>.

² See <https://ourworldindata.org> for detailed information on this topic.

systems have placed the value chain at the meeting of the two megatrends highlighted above. Climate action has led to a clamp down on fossil fuels in general, with coal being the priority target. At the same time, the increased competitiveness of alternative (renewable energy) technologies has enabled a shift in the energy mix towards more sustainable demand and supply options. Yet the just transition agenda has an economy- and society-wide relevance (ILO 2015). Every value chain and segment of society is forecasted to be impacted by climate change (through physical and/or transition impacts) and the Fourth Industrial Revolution. More broadly, the just transition agenda is arguably relevant in the case of all socio-economic transformations, irrespective of their root causes.

While the concept of a just transition dates back half a century, only recently has it entered the mainstream discourse. Its scope and application remain a source of debates and disagreements, with the term being already co-opted by various parties. The policy interventions required to effect and finance a just transition in a given context are similarly yet to be determined. This paper aims to contribute to unpacking the meaning of a just transition and the tools to foster it. Section 2 discusses the three key dimensions of a just transition, highlighted the varying degrees of ambition existing in different framings. Subsequent sections review the policy toolbox for each of the three dimensions. Section 6 concludes.

2. DIMENSIONS OF A JUST TRANSITION

The policy toolbox for a just transition depends heavily on the definition of the just transition itself. Two key variables effectively define the nature of the just transition agenda: its scope of beneficiaries and its ambition of action.

The primary question defining the ambit of any just transition agenda pertains to the range of beneficiaries. Conceptually, a just transition targets vulnerable stakeholders. Who such vulnerable stakeholders are is, however, a question of perspective.

At the one end, a narrow understanding would focus solely on workers and possibly communities directly impacted by a transition. This is generally attached to the restructuring or closure of a particular operation, such as a mine, a plant or a factory. At the other end, some definitions stretch as far as including society as a whole within the ambit of the just transition. While this may be considered more inclusive at first sight, it effectively dilutes the focus on vulnerable stakeholders, which should be the beneficiaries of a just transition. In essence, just transition approaches based on both a narrow and a wide range of beneficiaries fail to meaningfully target vulnerable stakeholders, either missing them (in part or in whole) or drowning them in society at large. The true nature of a just transition lies in the middle. A meaningful understanding extends beyond directly-impacted workers and communities to all vulnerable stakeholders that may be directly and indirectly impacted. This would include low-income communities at large, particularly women, the youth and the elderly, as well as small businesses (Robins and Rydge 2019). However, it also recognises that not everyone in society is vulnerable.

Due to constraint in resources and/or capacity, another factor to consider is the order of priority for action. Some vulnerability factors can be addressed through cross-cutting initiatives, but the multiplicity of situations and impacts leads to the need to sequence interventions. This is not to establish a hierarchy of vulnerabilities, but to avoid losing traction in implementation. As such, which stakeholder(s) should be the focus of the first interventions is a bone of contention. For instance, the focus could be on negatively impacted workers, pointing to the positive spillovers of employment within communities; or on negatively impacted communities, arguing that workers are better off than

many in low-income communities. Alternatively, the focus could be put on future workers in new opportunities, concentrating on the quantity and quality of job creation.

More generally, the application of the just transition agenda has shifted focus over time and remains an open-ended question. The concept emerged in the 1970s from the impact of toxic waste clean-up policies in the US. At the moment, it is primarily applied to climate change transition impacts, particularly in the coal value chain. Arguably though, the just transition agenda is relevant for any socio-economic transition, be it linked to climate change, any other environmental issue, or any social, technological and policy dynamics. For instance, the just transition agenda can be understood as the necessary counterpart of any Schumpeterian gale of creative destruction,³ by cultivating the creative spirit of progress and development and disarming the destructive forces on vulnerable stakeholders (Maharajh 2018).

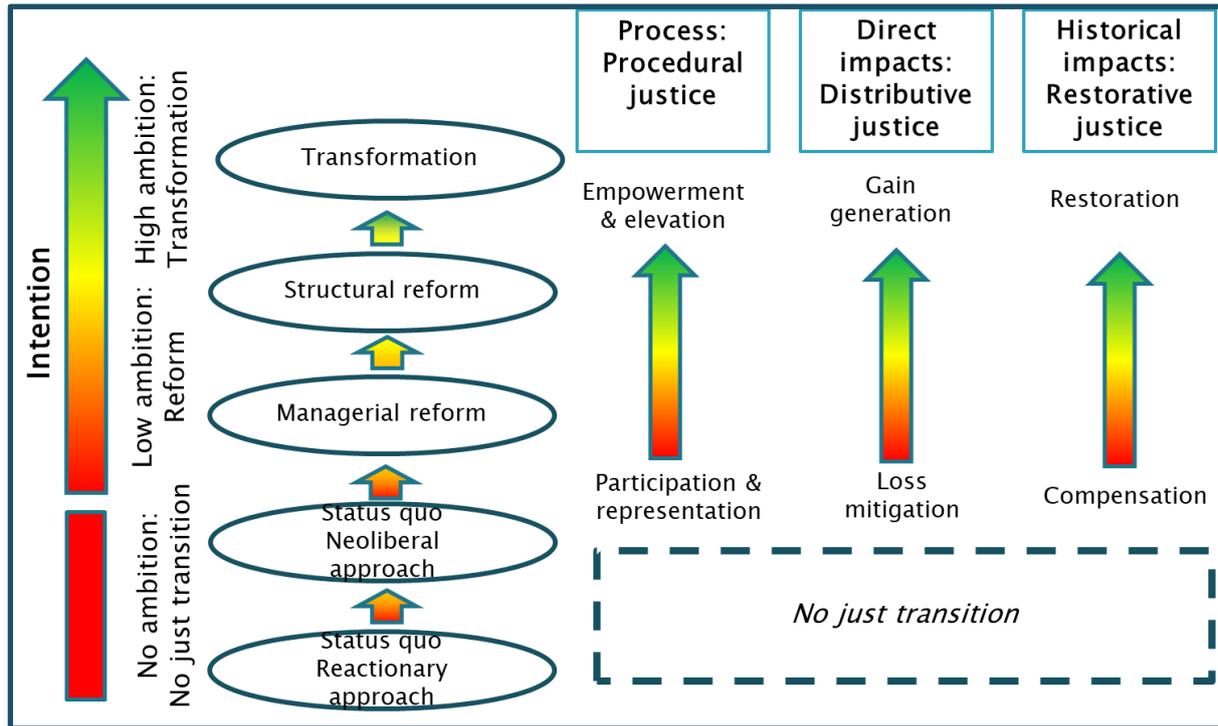
The second question shaping the policy toolbox deals with the degree of ambition (or in other words, action) associated with the just transition paradigm. The just transition agenda aims to bridge and address three dimensions of transitional justice, i.e. procedural justice, distributive justice and restorative justice, with a transformative agenda that overall integrates social, environmental and economic justice. (McCauley and Heffron 2018; Just Transition Research Collaborative 2018; Cahill and Allen 2020).

- Procedural justice focuses on the form. It aims at facilitating an inclusive process. It acknowledges and recognises vulnerable and/or marginalised groups by including them in decision-making processes. Importantly, it also requires enabling/empowering all stakeholders to take part meaningfully, not assuming capability and capacity. In effect, due to the top-down nature of most decision-making processes, this is heavily biased towards fostering complementary bottom-up dynamics;
- Distributive justice deals with the distribution of risks and responsibilities. Effectively, this focuses on addressing the direct impacts resulting from the transition process. It aims to address a ‘double inequality’ around responsibilities (who should pay?) and impacts (who should benefit? And how?); and
- Restorative justice considers past, present and future damages that have occurred against individuals, communities and the environment and provides a framework to rectify or ameliorate the situations of harmed or disenfranchised communities. Here lies the truly transformative nature of the just transition agenda.

Importantly though, there is no agreement between stakeholders on the degree of ambition which should be pursued, with goals ranging from marginal reform to transformation (Just Transition Research Collaborative 2018). Accordingly, this translates to varying degrees of attention and ambition at the level of each dimension of justice (Cahill and Allen 2020). The spectrum of responses is illustrated in Figure 1.

³ Creative destruction is an economic concept part of a theory of economic innovation and business cycles, derived primarily from the work of Joseph Schumpeter and Karl Marx. It describes the “process of industrial mutation that continuously revolutionises the economic structure from within, incessantly destroying the old one, incessantly creating a new one” (Schumpeter 1942). More broadly, it refers to the linked processes of the accumulation and annihilation of wealth under capitalism.

Figure 1: Dimensions of a just transition and degrees of ambition



Source: Author, inspired by McCauley and Heffron (2018), Cahill and Allen (2020) and Just Transition Research Collaborative (2018)

The ambit of action for distributive justice, which is the most common dimension in all understandings of a just transition, ranges from mitigating (employment and livelihood) losses arising from the transition to generating gains and benefits, leading to a situation whereby affected stakeholders are better off. Procedural justice, when considered, also takes different forms. At its most basic level, affected stakeholders are invited to take part (either through direct participation and/or representation) in decision-making processes. A meaningful interpretation of participatory justice does not stop at engaging stakeholders but guarantees they are empowered and elevated through the process. In other words, to be meaningful, an inclusive process has to ensure that stakeholders have the means (financial, human, informational) to take part and exercise their agency. The third dimension, restorative justice, is most often overlooked. Ambition for this ranges from compensating (most likely financially, although other forms for compensation are also possible) people and communities for past, present and future damages (such as health impacts from air and water pollution) to the removal, correction, repair and redress of historical injustices, effectively restoring equity.

However, in some cases, stakeholders aim to maintain the status quo rather than achieve a just transition. This takes either an obstructive, reactionary stance or a neoliberal attitude. Effectively, such approaches are not consistent with the just transition agenda. They do not intend to change the rules and outcomes of the existing system in any meaningful shape or form, and do not address distributive, participatory or restorative justice. They essentially ignore the risks and vulnerabilities and, at times, even use them as an avenue to justify the status quo or to co-opt processes and benefits in the interests of elites.

The reactionary approach aims to hinder the transition. It effectively rejects both the “just” and the ‘transition’ aspects of the just transition agenda. As such, it completely misses the point of a just transition, pushing a narrative aimed at directly or indirectly protecting incumbents and existing industries (such as fossil fuels) against change. The emphasis is put on maintaining existing

socio-economic structures largely unadulterated, by focusing solely on opportunities associated with existing activities. In the energy sector, this generally translates to a narrative in favour of fossil fuels (coal, oil and gas), notably in mineral resource-rich jurisdictions, and the promotion of solutions such as carbon capture and storage. As such, the interventions envisaged are counter-productive from a just transition standpoint. They aim to protect existing interests by hindering change. In the longer run, as the transition inevitably unfolds, this approach is extremely detrimental to vulnerable stakeholders that are left unsupported, without any alternative livelihood or safety net, and without any redress of injustice caused by the status quo.

In its neoliberal form, it advocates for a progressive greening of capitalism, consistent with the free market understanding of the world. Here, market dynamics drive change (or not). It focuses on the development of new economic opportunities, in existing and new industries. In the energy sector, this generally promotes a “lower-carbon” development pathway (rather than low- or no-carbon), focusing on a soft transition in the existing fossil fuels industry and the parallel development of so-called green jobs (or green industries). Vulnerabilities are here again largely ignored, sacrificed on the altar of profit. As such, the interventions envisaged are minimal. Employment, ownership, income and wealth are to remain unchanged or essentially determined by market forces. Similarly, environmental externalities are largely ignored or addressed through market forces and possibly market-based instruments. Governments should in this case simply provide an enabling environment for investment in new economic opportunities.

Moving from status quo approaches, which are not compatible with the just transition agenda, three key variants of just transition can be identified. They vary in ambition, ranging from managerial reform, to structural reform, to transformation.

The least ambitious conception of a just transition agenda aims to achieve managerial reform. This is in effect the first echelon of just transition ambition. While, as in the case of the status quo approaches, this version of just transition does not envision changes in the economic model and the balance of power, it does seek to foster greater equity and justice within the existing economic system. In addition, the fact that the existing regime generates rising inequality, and that existing labour standards are ill-adapted to secure workers’ health and wellbeing, is accepted. Vulnerability at the level of the labour market is also recognised. To that effect, certain rules (such as working conditions and occupational health, safety and environmental standards) can be modified and others created to foster a just transition. The focus is primarily on distributive justice for workers. Action takes place predominantly at the firm level, notably through enterprise-wide planning. Measures can include job retraining and reskilling programmes, early retirement/pension schemes and other forms of compensation for affected workers. Other vulnerable stakeholders, such as small businesses and low-income communities, are *de facto* not included in this understanding of a just transition as there is no compulsion on businesses to internalise the impacts of the transition beyond the boundaries of the firm. A contribution towards participatory justice is pursued through social dialogue between unions and employers only. Restorative justice remains essentially ignored.

The next level of ambition targets structural reform. It attempts to secure both distributive and procedural justice. As with managerial reform, the structural inequalities and injustices that are produced by the system are acknowledged. However, unlike managerial reform (which focuses on the impacts), the structural reform agenda aims to address (at least to some extent) the roots of the problems. Solutions are not solely produced via market forces or techno-economic innovations. Modified governance structures as well as democratic participation, decision-making, and ownership are core to this just transition vision. As such, achieving structural reform departs from top-down processes and promotes a bottom-up approach. It is driven by the agency of affected groups, from

workers and citizens. Structural reform promotes measures, such as worker- and citizen-owned energy cooperatives, strong social safety nets and new form of participatory governance.

The most ambitious understanding of the just transition targets transformation. It is the only understanding of the just transition that aims to truly address the three dimensions of justice. It implies an overhaul of the existing economic, social and political system that is considered responsible for economic, social and environmental crises. This approach effectively involves the dismantling and reconfiguration of existing systems, a change in the rules and modes of governance and the promotion of alternative development pathways. It aims for positive and progressive change to overcome systems and structures that generate environmental and social injustice, in line with the transformative nature of restorative justice. Consistent with heterodox thinking, no blueprint vision of the pathways needed to arrive at transformative just transition exist. The processes are context specific and dependent on the societal baseline from which they emerge. Overall though, this just transition approach is rooted in bottom-up, grassroots democracy, high social/public ownership, strong social protection and industrial policy, community-level resilience, and inter- and intra-generational solidarity.

3. POLICIES FOR PROCEDURAL JUSTICE

Delivering procedural justice (also known as participatory justice), which itself is a process, hinges on embodying democratic values in policymaking. In essence, for participatory justice to be contemplated, any decision-making process should follow four key principles (Yale Law School, n.d.):

- Voice – all stakeholders should be given a chance to express their concerns and participate in decision-making processes by telling their side of the story;
- Dignity and respect – all individuals should be treated fairly and equally;
- Neutrality, impartiality and transparency – decisions should be guided by evidence as well as consistent and transparent reasoning, with the aim to minimising bias; and
- Trustworthiness – decision-makers should convey honest motives and concern about the well-being of those impacted by their decisions.

From these ethical tenets emerges important considerations for policy design and implementation. These range from the type of engagement, to their structure, to their facilitation.

Overall, procedural justice calls for ongoing, rather than *ad hoc*, public engagement between stakeholders. Public engagement processes are too often tick-box exercises conducted within the spectrum of one single decision (such as a new law or facility). *Ad hoc* processes do not provide the platform for meaningful, long-term engagement. They are by definition short term and do not enable any processes of trust building, capacity building, experience learning and co-creation/co-development. Short-term processes tend to also be extractive (i.e. one-way) in nature, rather than mutually beneficial for stakeholders taking part. Any meaningful process should be continuous and effectively endless, starting well before critical decisions have to be made, to foster co-development and the emergence of a community of practice, and carrying on well after decision-making, to ensure joint monitoring of implementation and, if needed, course correction.

This calls for establishing permanent community/grassroots forums (for example at the ward level) and gathering all relevant stakeholders, animated by skilled and trusted community liaison officers. Such ongoing engagement processes should moreover be complemented by issue- or site-specific dialogue when relevant. Importantly, in the absence of ongoing social dialogue, specific, short-term engagements (for instance, in the case of a plant closure) are insufficient to achieve meaningful participatory justice. The experience in Slovakia's Upper Nitra region highlights the power

of citizen-led responses to the transition. In reaction to a top-down, closed-door process led by national government and large businesses in the coal value chain, local stakeholders in the Slovakian coal region initiated the bottom-up development of an Action Plan for a just transition. This included the establishment of six grassroots, open working groups (on the economy; social infrastructure; tourism; transport; and technical infrastructure), where all interested parties could participate and put forward proposals and ideas. After a period characterised by a lack of alignment and even conflict between the two processes, the national government eventually acknowledged the locally-developed Action Plan as the basis for the final plan. In stark contrast with proposals arising from the national-level process, the Action Plan confirmed the rejection of a new mining field, the end of electricity production from coal by 2023 as well as the allocation of financial support to projects proposed by local stakeholders (CEE Bankwatch Network 2019; Halasz 2020).

Participatory justice should also take form at the firm level. For instance, in Germany's North Rhine-Westphalia, the supervisory boards of enterprises in the coal and steel industry with more than 1 000 employees are required to comprise 50% employer and 50% employee delegates. This has been a critical mechanism to foster social dialogue and co-creation, in turn improving outcomes for workers and communities and reducing opposition to the transition (Galgóczy 2014).

The participation process itself should foster inclusion and bottom-up engagement. All voices should, in theory, carry equal weight. All stakeholders should be provided the opportunity and resources to participate. Importantly, should some stakeholders not have the resources to meaningfully take part (such as access to finance or knowledge), processes should be put in place to support such disenfranchised stakeholders. Support to vulnerable stakeholders, such as communities, is often the sole ambit of grassroots non-governmental organisations, such as the Alianza Internacional de Reforestación in Guatemala, the Associação Ashaninka do Rio Amônia Apiwtxa in Brazil, the Organización para la Defensa y Conservación Ecológica de Intag in Ecuador, groundWork in South Africa and Swayam Shikshan Prayog in India. This can be enhanced, for example, through solidary funds (for financial issues) and through capacity building and knowledge platforms (for information issues). Once again, this is only truly possible through longstanding social engagement processes.

In addition, proceedings and rules of engagement should be clear, explicit and consensual. Unless agreed by stakeholders, parameters (or terms of reference) should not change over time. This is critical to ensure fairness and provide certainty to all.

Access to information should be equal and unrestricted. Information asymmetry is one of the key stumbling blocks resulting in unfair negotiations and decision-making processes. Indeed, despite the abundance of material available, information rarely reaches vulnerable stakeholders, especially in a user-friendly and easily-accessible format. Moreover, decisions should be informed by evidence, rather than opinions. Fair access to information also involves ensuring that all parties have the opportunity and resources to collect and bring forward evidence. Certain groups, such as organised business, are generally better resourced than others and processes are required to ensure fairness and equity. Independent experts can be used to that effect, particularly when the evidence brought forward by specific parties is not widely trusted by all. The joint commissioning of studies is one way to generate consensus or at least a common base of facts and evidence.

Operationally, two formats of participation are possible: open, direct democracy and representative democracy (Makgetla 2019). On the one hand, open, grassroots participation empowers individuals and communities that often cannot engage in representative processes. However, it is difficult to conduct meaningful dialogue in such a setting. It can also be hard to reach consensus due to the large number of parties involved. This also may lead to capture by unrepresentative (but vocal) parties. On the other hand, representative stakeholder engagements, where constituencies are expected to

designate and mandate representatives, make deliberations and decision-making less challenging but leave out the vast majority of individuals. Overall, the decision on whom to include inevitably gives some groups a voice while shutting out others and both formats have advantages and disadvantages. While imperfect, South Africa has established various avenues to promote social dialogue. In 1994, the National Economic Development and Labour Council (NEDLAC) was set up as a unique body which brings together representatives from government, organised labour, organised business and the community to consider all socio-economic and labour policy and legislation. In late 2020, a multi-stakeholder Presidential Climate Commission was also set up to drive the country's just transition, with representatives from government, labour unions, business, civil society and political parties. Complementarily, South Africa's National Planning Commission led an extensive public process of consultation at provincial and national levels, which culminated with the compilation of a draft national vision for the country's just transition (Montmasson-Clair and Chigumira 2020).

Importantly, both formats can be used in parallel and in such a way that they build on each other. Only a combination of both open and representative engagements can offer the opportunity to deliver on multiple fronts and enact participatory justice. Indeed, a central difficulty is always to balance the power of organised constituencies, the desire for participatory and open procedures, and the need to bring in expertise to test diagnostics and proposals against the evidence, and to identify the necessary resources (Makgetla 2019).

The multiplicity of platforms is also fundamental to build trust both between stakeholders and in the transition process itself. Often, the transition signifies the transformation or loss of an embedded local identity, associated with a particular activity (such as coal mining). This generally leads to a cognitive and institutional lock-in in favour of incumbent activities (see, for instance, Della Bosca and Gillespie 2018; and Kirk, Jefferys, and Wall 2012). Furthermore, decades (if not centuries) of extractivism have often rendered local political and social structures dysfunctional. The absence of functioning local polity and civics makes processes of co-creation exceptionally difficult. This is compounded by deep, long-lasting mistrust between stakeholders, fuelled by extractive practices, political exploitation and lack of shared benefits.

In addition, in some cases, a trade-off exists between the ambition of inclusivity and the urgency to act and make decisions. Indeed, social dialogue is a means to an end, not an end in itself. Realistically, some differences between stakeholders are inherently ideological and full consensus might well never be reached. This should not prevent action. In fact, some proponents of the status quo (in its reactionary form) may use this lack of consensus to prevent progress. Finding the balance between reaching consensus and forging ahead with implementation (in the absence of consensus) is itself a political compromise which should be carefully curated by multi-stakeholder institutions.

4. POLICIES FOR DISTRIBUTIVE JUSTICE

Achieving distributive justice, which is usually considered the core of just transition, hinges on addressing the direct negative impacts associated with the transition (such as loss of economic activity, employment and livelihood). Effectively, it relies on harnessing a set of (generally) existing policy tools to lessen or mitigate adverse impacts as well as generate counter-balancing positive forces. These are far and wide, ranging from labour market policies, to industrial policy, to social protection measures.

As illustrated in Figure 2, labour market policies can be active or passive (Carter et al. 2019). Active labour market policies aims to influence the entry and exit of people from the labour force. Income support programmes aim to smooth the income shock from transitioning between two employment opportunities while retraining and reskilling as well as job placement schemes that attempt to support

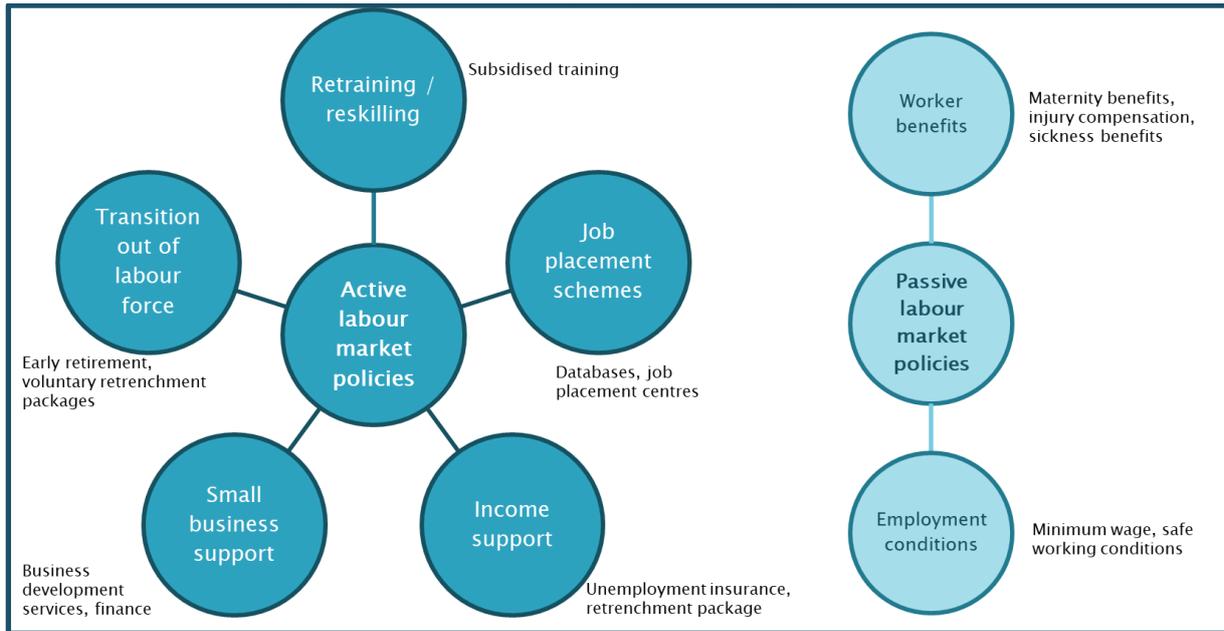
workers to find and access alternative employment. The experiences of Alberta in Canada, through the Coal and Electricity Transition Tuition Voucher, and in Victoria in Australia, through the Training Guarantee, provide valuable lessons on how education and training can be made more accessible through subsidised retraining. For instance, Alberta provides workers with a maximum of C\$12 000 to pursue post-secondary education (certificates, diplomas, degrees, apprenticeship and pre-employment programmes) (Douglas and Harrahill 2019; Harrahill and Douglas 2019). Small business support can provide the platform for affected workers to start their own business. Policies like early retirement and voluntary retrenchment packages provide support for people exiting the labour market or transitioning to different opportunities. Spain's 2018 just transition deal for the closure of the country's coal mines over the 2019-2027 period included significant support for workers (among other support measures). About 60% of miners (those aged 48 years and older or with 25 years of service) were provided the opportunity to take early retirement packages. Younger miners received a redundancy payment of €10 000, as well as 35 days' pay for every year of service. Miners with asbestosis received an additional payment of EUR€26 000 (Kingdom of Spain 2018).

Passive labour market policies aim to impact labour market conditions indirectly. They include interventions to set minimum standards for employment conditions and worker benefits at national or sectoral levels. In addition, adequate minimum wages, statutory or negotiated, can here play a key role in a human-centred development approach, notably by reducing poverty and inequality (ILO 2020a). The implementation of a minimum wage has a positive impact on poverty and (income) inequality, particularly improving the well-being of low-paid workers. Evidence shows the existence of a "lighthouse effect"⁴ as well, with positive impact on wages in the informal sector (Mudronova 2016).

Labour market policies are critical and necessary to foster decent work. They are particularly important to improve working conditions as well as provide support and protection to workers. They also participate in establishing a safety net for workers falling out of employment. Such policies are, however, insufficient to achieve distributive justice. On the one hand, they need to be complemented by industrial policy to drive or support the emergence of new economic activities and opportunities. Indeed, labour market policies can only be effective if there are alternative employment (or business) opportunities that can be taken up by affected workers and unemployed people. On the other hand, social protection policies are required to provide a genuine safety net to workers and citizens in general.

⁴ Empirical literature indicates that, contrary to predictions from economic theory, wages in the informal sector increase after a minimum wage hike in the formal sector. This phenomenon has so far been explained as a by-product of a signal (a lighthouse) conveyed by statutory minima in the formal sector to wage setting in the informal sector.

Figure 2: Labour market policy tools for a just transition



Source: Author

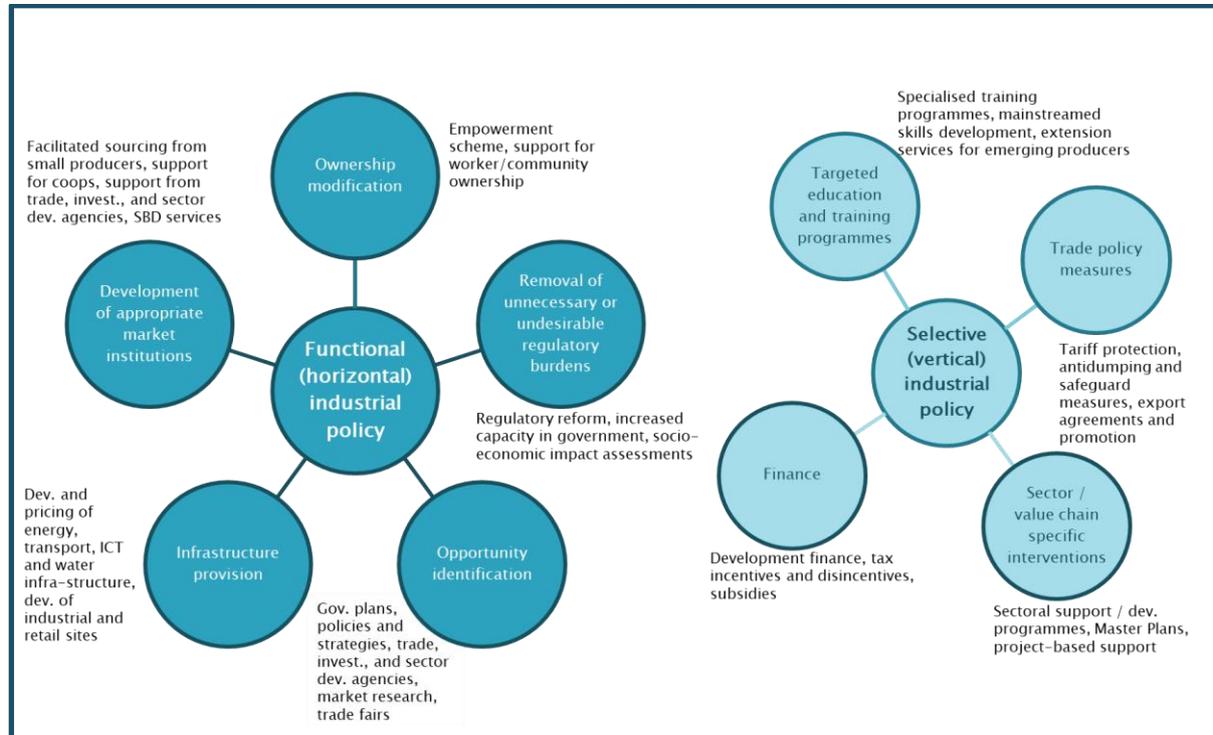
In its broad sense, industrial policy can be viewed as government interventions and policies that attempt to alter the structure of the economy towards sectors, technologies or activities that are expected to offer better socio-economic development prospects than would occur in the absence of such interventions. Interventions can be classified into two complementary groups, depicted in Figure 3 functional (horizontal) industrial policy and selective (vertical) industrial policy. Importantly, both types of industrial policy are used jointly and necessary to trigger effective impact (UNCTAD 2016).

Functional industrial policy is by definition cross-cutting. It does not target a sector or value chain in particular but aims to have a widespread impact on the functioning of the economy. By identifying and pointing to national priorities, it guides the development of economic opportunities. Horizontal industrial policy also aims to establish the necessary structures and platforms for the economy to function, by providing infrastructure and market institutions and removing unnecessary regulatory blockages. At the same time, it has a direct impact on the nature of the economy by impacting ownership, be it between public and private institutions or between societal groups. The experience of South Africa, with the implementation of the Broad-Based Black Economic Empowerment (BBBEE) policy, shows the potential as well as the difficulties of triggering structural changes. The BBBEE policy aims at overcoming the profound inequalities in race, gender and class in ownership and power that were entrenched under the apartheid regime. It led to considerable progress in economic empowerment, particularly in wealth transfer, the ownership of listed companies and the number of local enterprises. At the same time, in addition to a burdensome and opaque implementation, several shortcomings persist. This is notably the case in representivity in senior and executive management, the lack of spillovers towards local procurement, and the concentration of benefits from the transfer of assets to the top 20% of households (Makgetla 2021).

Selective industrial policy complement functional interventions by unlocking sector-specific opportunities. Using targeted tools, such as trade policy, finance and skills development, vertical industrial policy attempts to foster activity in selected sectors or value chains. Selective industrial policy is generally embodied by the development of industrialisation development roadmaps and

pathways, such as the net-zero 2045 roadmaps developed in Sweden for key industrial sectors.⁵ This is usually implemented through the rollout of green industrial policy, as discussed by Altenburg and Assmann (2017) with the examples of Morocco (with renewable energy), Germany (with energy in general), China (with electric mobility) and Brazil (with biofuels).

Figure 3: Industrial development policy tools for a just transition



Source: Author

The third group of policies necessary to achieve distributive justice is social protection, which can be contributory or non-contributory (Carter et al. 2019). Figure 4 provides an overview of such policies. Contributory social protection requires a direct financial contribution by individuals and is often attached to employment (such as unemployment and health insurance). As such, it overlaps to some extent with labour market policies. For instance, ILO (2019) points to the development of well-functioning unemployment insurance schemes as a pre-condition for, rather than the natural consequence of, labour market development. Asenjo and Pignatti (2019), who provide a comprehensive review of unemployment insurance schemes, further highlight the power of unemployment insurance when tailor-made to match local resources as well as the specific needs of workers in a given context, particularly extending benefits to the informal sector.

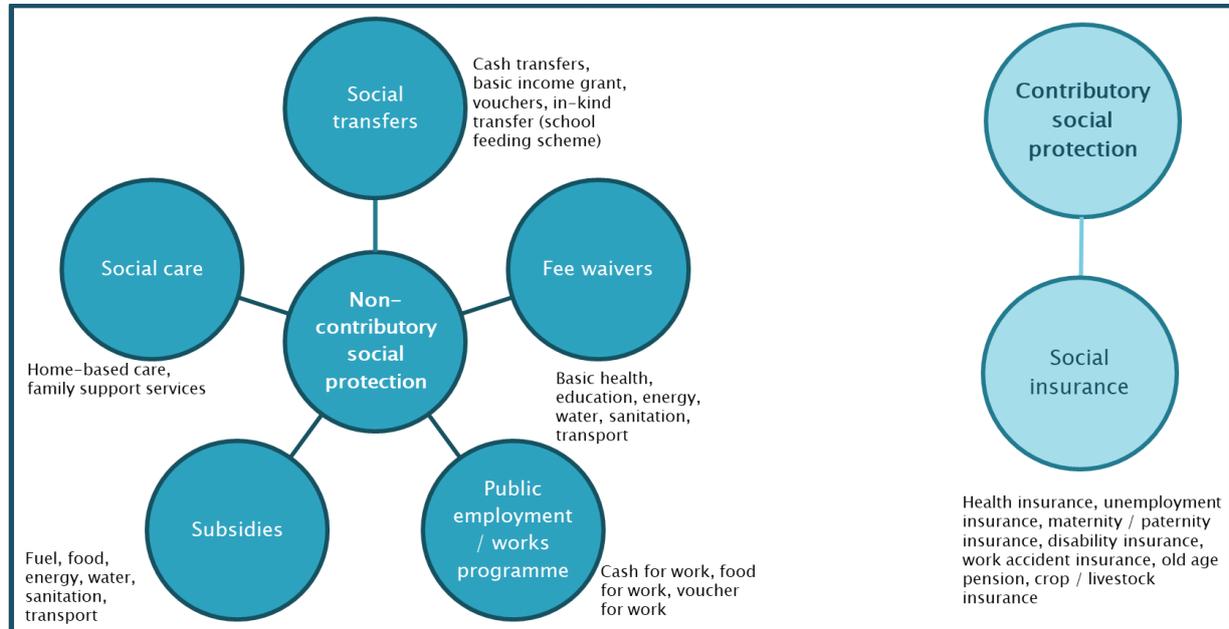
Non-employment related forms of social insurance also exist. For instance, parametric insurance triggers payouts based on the value of an established metric. In the agricultural sector, an insurance model that pools farmers of similar risk has found success in Bolivia. The Fundación PROFIN has developed an insurance scheme that combines an insurance index mechanism (based on a reference peer selected by farmers) with incentives and peer-to-peer learning for pro-active risk reduction (Warner et al. 2009).

Non-contributory social protection deals essentially with providing a safety net for all, either through monetary support or service provision. Social transfers, such as social grants, are a core component of social protection by providing a financial safety net to vulnerable groups of society. The increasing

⁵ See <https://www.industrytransition.org> for a repository of industry transition roadmaps.

number of countries experimenting with the provision of a (universal) basic income brings important lessons on the benefits of such a social protection (World Bank 2020; Sigal 2020).⁶ This can also take the form of public employment programmes, such as the extensive programmes in India and South Africa (ILO 2020b). Services, such as energy and water, can be provided for free and/or at a discounted rate to improve living conditions. This can be complemented by the provision of social care services or the recognition (and remuneration) of unpaid care work.

Figure 4: Social protection policy tools for a just transition



Source: Author

A key tension in the pursuit of distributive justice is how to find a balance between a broad social compact and specific solutions to current challenges. Ultimately, this comes down to who should be prioritised in the design and implementation of policy interventions. Adopting a broad framework would set the scene for long-term, society-wide impact but runs the risk of delaying the rollout of solutions for most-affected stakeholders. By contrast, a narrow focus on a group of directly impacted stakeholders (such as coal miners) would leave out numerous vulnerable stakeholders. Realistically, both approaches are required to ensure that acute, direct impacts are addressed while laying the foundation of a more inclusive society overall.

Within this, the role of each stakeholder remains to be determined. While the part played by various stakeholders effectively depends on the degree of ambition being pursued, a just transition is not achievable without all parties contributing. A fundamental issue for distributive justice (and more broadly the just transition) is who should pay for the required interventions. The burden-sharing agreement, in terms of financial cost, would *de facto* flow from the definition of a just transition. Too often, the costs of transition (as well as negative externalities) are socialised despite benefits having been (and remaining) privatised. A genuine just transition agenda aims to achieve a more equitable repartition of costs and benefits between stakeholders.

While it is by no means the only responsible entity, government is well positioned to provide the direction of travel and drive action. Arguably, the prevailing neoliberal mantra actually elevates government as the only entity able to steer and lead the transition. Government can play a structural and catalytic role in achieving distributive justice. National government can broker consensus between

⁶ See <https://basicincome.org> for a knowledge repository on the topic.

stakeholders and play a key role in establishing evidence as well as setting up programmes, institutions and financing mechanisms. The success of Germany's Commission on Growth, Structural Change and Employment, also known as the Coal Commission, is notable. The 28 voting members of the commission, which originated from the public administration (1), regions (7), business and industry (5), the scientific community (5), the energy industry (4), environmental organisations (3), and trade unions (3), approved its final report almost unanimously with a voting ratio of 27:1 (Litz, Graichen and Peter 2019).

Local and provincial governments are in the front line of impacts and implementation. The establishment of the Latrobe Valley Authority in the Australian Province of Victoria provides valuable lessons in this respect. The Authority was set up in 2016 (along with the Mine Rehabilitation Commission and the Latrobe Valley Health Zone Assembly and Advocate) to foster a just transition in the region's coal fields. It is rooted in a bottom-up approach, based on a locally-driven, place-based partnership with flexible funding and operational agreements with existing structures, such as labour unions, adult education providers and training organisations. The Authority has notably established an Economic Growth Zone with economic incentives (including reimbursement of government fees for businesses), a back-to-work scheme with payments for employment of unemployed people, and investment attraction for forward-thinking industry. Two dedicated funds also provides direct support to increase business expansion and jobs, as well as support for supply chain businesses directly impacted by mine closures. In addition, the Authority provides both customised and comprehensive support packages to the local community based on the bottom-up identification of regional needs and opportunities (Cain 2019; EC 2019).

More broadly, a green and just financial reform is generally seen as an important cornerstone of any meaningful just transition. This can encompass a reform of fiscal systems, notably taxation, subsidies and incentives. The phasing out of all funding to fossil fuels and any other interventions that may go against a just transition is increasingly acknowledged as the bare minimum in this respect (Gass and Echeverria 2017). Governments also play a crucial role in catalysing new economic opportunities, by supporting and seeding key interventions and investments. As documented by Mazzucato (2018), most successful new technologies and economic ventures have historically been underpinned and backed by public investment and public support.

Businesses, both public and private, carry a responsibility in implementing a just transition. On the one hand, many corporations have profited from the extractive nature of the economic model at the root of the current crises of sustainability. In addition, they are at the root of many negative socio-environmental externalities suffered by hosting communities and society at large. As such, firms ought to shoulder a large share of the burden of managing the transition. This involves the transformation of their economic activity and business model away from harmful activities. This also finds expression in governance, with the need for greater private accountability as well as social ownership of benefits. Furthermore, businesses have a core responsibility in addressing and remediating socio-environmental ills arising from economic activities as well as the social impacts associated with the transition. This notably means preventing firms from avoiding their responsibility by bankrupting, spinning off or on-selling (stranded) assets. This is particularly the case in the coal, oil and gas value chains but extends beyond fossil fuels and energy to mining, agriculture, heavy industry and many other activities (IEA 2021; 2020). For instance, the transition to a low-carbon economy is set to be mineral intensive (World Bank 2017). This warrants deep-seated changes to how mining value chains operate, with implications on what is mined, how it is mined, who bears the costs of mining activities and who reaps the benefits. Guidelines, such as those developed by the International

Council on Mining and Metals (ICMM), can assist in setting up adequate benchmarks in this respect (see, for example, the guide on integrated mine closure (ICMM 2019a)).

On the other hand, firms are core (with the public sector) to the development of new, more sustainable economic activities. A just transition requires significant investment in specific geographies and/or value chains, demanding meaningful contributions from both public and private actors. For instance, the European Union's Just Transition Mechanism, which aims to alleviate the socio-economic impact of the transition in most affected regions in Europe, provides targeted support to help mobilise at least €100 billion of both public and private investment over the 2021-2027 period (EC 2020).

Workers and labour unions as well as communities and civil society organisations are also at the core of any just transition, for any just transition is about people. Effectively, as discussed in Section 3 on participatory justice, a just transition cannot take place without workers and communities at its centre. They are to be parties to the co-design and co-implementation of the transition process. Organised structures, especially unions, also have in many cases the ability to invest (jointly or on their own) in particular initiatives. This is a cornerstone to furthering the social ownership of production and infrastructure (such as factories and energy plants). In Victoria, Australia, the establishment of the Earthworker Cooperative has provided a platform for various affected groups to establish sustainable enterprises such as Australia's first worker-owned factory, making renewable energy appliances and components (Douglas and Harrahill 2019).⁷

5. POLICIES FOR RESTORATIVE JUSTICE

Restorative justice, a fundamental pillar of the just transition agenda, is generally overlooked. Yet it is in this area that lies the truly transformative nature of any just transition. Restorative justice extends beyond process and direct, short-term impacts to include long-term historical dynamics. Restorative justice is premised on three key dimensions: socio-economic empowerment, socio-cultural restoration and environmental restoration.

Fostering the socio-economic empowerment of vulnerable stakeholders is by definition a broad objective. In the just transition context, it starts by (materially) improving the access of vulnerable stakeholders to modern housing and associated services (energy, water, sanitation, waste management, transport), both in quantity and quality. It is a crucial element to foster an inclusive and pro-poor transition overall, which takes an even more transformative meaning for historically-disenfranchised communities that have borne the brunt of the negative impacts triggered by extractive and polluting economic activities. This is especially important in the case of mining communities, but also applies to many large-scale infrastructural or industrial developments that do not directly benefit the communities in which they are located. The situation of the populations living in the vicinity of the dams of the Lesotho Highlands Water Project, without adequate access to water, is only one case in point (Mokhehi and Kabi 2021).

The transition to a green economy is, in most cases, anchored on the emergence and penetration of new technologies. A core component of any just transition is ensuring that all stakeholders benefit from such new technologies. Indeed, to date, the introduction of new, so-called "green technologies" (such as renewable energy and electric vehicles) has primarily been driven by high-income households and large businesses, while the rest of society and the economy lags behind (often on financial grounds). It is imperative that other segments of society, such as low- and middle-income households and small businesses, also reap benefits from such technologies, through direct access

⁷ See <https://earthworkerenergy.coop> for more information on the cooperative.

and/or benefits. This can be facilitated by government-backed rollout programmes as well as private sector-driven initiatives. For instance, an inclusive (and sustainable) rollout of electric mobility requires a strong push for public transportation as well as significant improvement in spatial development (notably to promote non-motorised transport).

Over and beyond access, socio-economic empowerment speaks to ownership issues. The promotion of the social ownership of assets (such as energy supply and factories) is inherently part of the just transition mantra. This can take form at the household, community or public sector levels, depending on the context (IRENA Coalition for Action 2018; IRENA 2020). Social ownership (at least partially) should be facilitated, encouraged and actively supported by both the public and private sectors. Social ownership, while not without pitfalls, is a meaningful mechanism to ensure long-term benefits for workers, communities and citizens at large, as well as socialise the benefits (i.e. not only the costs) of the transition to new economic activities (see Muzondo et al. 2021) for case studies on alternative ownership models in energy).

More broadly, the focus on a just transition provides an opportunity to enhance vulnerable stakeholders' access to economic opportunities. By stimulating diversification and the emergence of new economic activities at the local level, a just transition should promote the economic inclusion of disenfranchised individuals and communities. Small businesses play a unique role in this respect, being crucial drivers of innovation, economic development, inclusion, inequality reduction and environmental protection (Montmasson-Clair and Mudombi 2018). In its ambitious version, a just transition aims to have a net positive effect on impacted communities, creating substantially more jobs and economic opportunities than currently exist and more than will be lost. It also acknowledges the need to create such opportunities in affected communities and for affected workers and people, rather than in any area. While a net positive impact at the national level is important, a just transition requires a net positive impact at the community level as well. This recognises the precarious situation in which communities negatively impacted by the transition are, even before plants, mines and factories downside and close down. Indeed, in addition to socio-environmental challenges, local populations in mining districts only marginally benefit from mining activities, with benefits often flowing mainly through national treasuries (Chuhan-Pole, Dabalen, and Land 2017).

Advancing socio-economic empowerment must be complemented by progress on socio-cultural restoration. The two are deeply intertwined. It acknowledges the historical and longstanding marginalisation of vulnerable stakeholders. This can notably be implemented by enforcing a non-predatory use of the land, including fundamental respect for local, indigenous culture, heritage and practices. A first step is the design and enforcement of environmental management and protection laws and regulations, particularly to preserve environmentally- and socially-sensitive ecosystems. Here, the Environmental Democracy Index, developed by the World Resources Institute, and Yale's Environmental Performance Index, clearly show that this is achievable irrespective of development levels. Wealth is not necessarily the defining factor of strong environmental democracy laws. Similarly, vast variations in environmental performance exist between countries, even within peer groups.⁸ However, even if countries have strong laws on the books, they are not necessarily adequately enforced.

A more ambitious step is to consider the true value of land, nature and ecosystems. In identifying and developing natural resources in a given region, governments in collaboration with communities and other social partners should here consider the expected long-term national objectives, outcomes and

⁸ See <https://www.environmentaldemocracyindex.org> and <https://epi.yale.edu> for more information and datasets.

returns on investment, from an economic, social and environmental perspective. For instance, the financial sustainability of mining in a given area, the associated long-term social (such as number of jobs, skills development, education opportunities, social projects) and environmental returns, and the assimilative capacity of the receiving environment should all be equally considered to determine: (a) the best use of natural resources for a given area to ensure the most sustainable long-term economic, social and environmental returns; and (b) should mining be the best use of natural resources, the most suitable way to mine a given area to ensure the most sustainable long-term economic, social and environmental returns (Parramon-Gurney 2013). Only by clearly considering all these factors would the desired national returns be realised. Only a strategic and integrated national perspective, i.e. not driven by individual projects and considerations, would inform and direct the sustainable development of natural resources to avoid, or at least minimise, negative impacts (especially cumulative ones) on the environment and promote the implementation of better practices in a collaborative way while maximising economic and social returns in the long run (Montmasson-Clair 2015).

Beyond land use, access to and quality of community services, such as health, education and safety, is a core component of a socio-cultural restoration process. As with housing and associated services, communities negatively impacted by the transition have generally lagged behind other regions in the availability and quality of many public services. This marginalisation compounds the negative direct impacts triggered by the transition (such as job losses) by jeopardising the resilience of communities and the ability of affected individuals to withstand shocks and find alternative livelihoods. Programmes to uplift the provision of public services in marginalised communities are therefore paramount to reduce inequality and poverty and provide the conditions for a just transition.

As shown by Walton (2012), when supported by broader improvements in governance and socio-economic development, efforts to make basic services, such as education, health, water and sanitation, more inclusive in low- and middle-income countries, have had strong positive impacts on social progress and development.

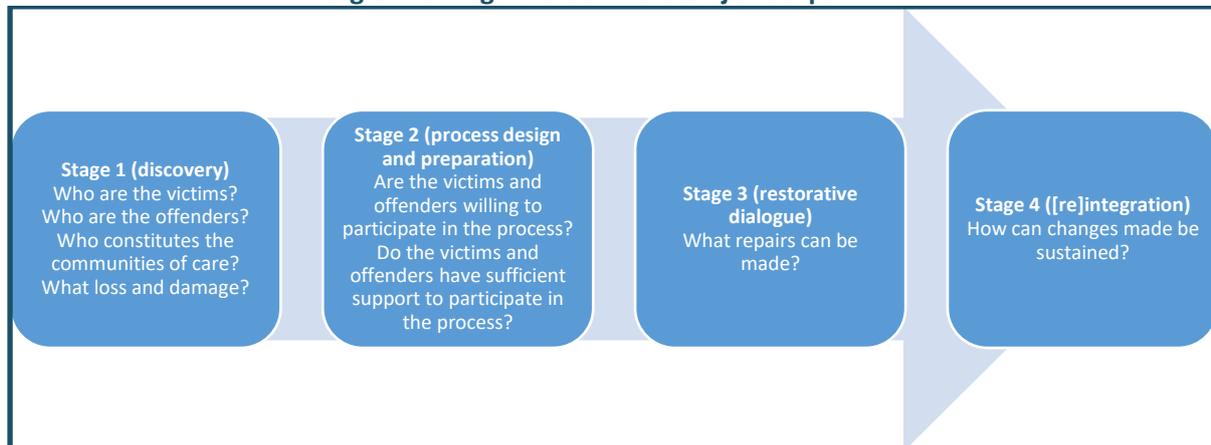
Last but not least, restorative justice involves environmental restoration. This is evident in the case of land (mine) rehabilitation, but also extends to air and water. Communities at the forefront of the transition have in most cases suffered the negative consequences associated with decades (if not centuries) of natural resource extraction and/or industrial pollution. Besides the destruction of the natural environment, with dire consequences for the use of land (for agricultural purposes notably), environmental impacts have had dramatic spillovers on the health of people in these areas. This is despite environmental preservation being generally protected by law. In some cases, like in South Africa, access to safe and healthy land, air and water is even a constitutional right.⁹ As already discussed, the design and enforcement of strong environmental protection frameworks, along with mechanisms to ensure the adequate rehabilitation of ecosystems during and after operations, is paramount.

A restorative justice process, to be effective and sustainable, should follow certain steps. Figure 5 highlights the four key stages of restorative justice (Robinson and Carlson 2021). Discovery (Stage 1) provides the platform to understand who has been negatively impacted, who is at the source of the impacts and what has been impacted. It is a foundational exercise which informs all other stages.

⁹ “Everyone has the right (a) to an environment that is not harmful to their health or well-being; and (b) to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that (i) prevent pollution and ecological degradation; (ii) promote conservation; and (iii) secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.” South Africa’s 1996 Constitution, Bill of Rights.

Stage 2, process design and preparation, initiates restoration. It requires the participation of all parties. Indeed, restorative justice can only truly work if both the victims (i.e. impacted stakeholders) and the offenders (i.e. stakeholders at the root of the harm) are prepared to take part in the process and work together towards restoration. Restorative dialogue (Stage 3) builds on the second stage to design solutions. Integration or reintegration (Stage 4) is the final stage. It aims to implement solutions co-designed through restorative dialogue and, importantly, ensure changes are sustained in time.

Figure 5: Stages of a restorative justice process



Source: Author, based on Robinson and Carlson (2021)

As with other aspects of a just transition, what should be covered by restorative justice is a source of debate. Historical damages that are at the centre of restorative justice are complex and highly intertwined. This calls for an overarching, integrated approach. However, implementation is often easier on a case-by-case basis, tackling one issue at a time. Similarly, the kind of remedies that can be considered is open to interpretation. Financial compensations are often the first port of call but, on their own, rarely remedy a situation in the long term. Alternative remedies, such as restitution, relocation, targets and commitments, are generally required to effect restoration. In addition, different remedies are required to address irreversible losses compared to reversible damages (Doelle and Seck 2020). The issue of liability is of course also a bone of contention, particularly when the entities at the root of the problems no longer exist or have changed form or ownership, a common problem with abandoned mines. This raises the importance of setting up mechanisms (such as rehabilitation and transition funds) to remedy unavoidable impacts from the onset. ICMM guidelines, on integrated mine closure (ICMM 2019a) and finance for mine closure (ICMM 2019b), are an important resource for steps to achieve this.

In addition, a key debate persists about the link between restorative justice and litigation. In any restorative justice process, litigation should be seen as a last resort. Indeed, restorative justice requires (in principle) an acknowledgement of wrongdoing and the co-development of solutions by all parties. This process is therefore impossible in cases when the entities responsible for the damage do not exist any longer or are refusing to accept responsibility. Litigation can play a part in forcing acknowledgement by offenders through the justice system but cannot generally achieve co-creation. For instance, within the global climate regime, loss and damage cases have been mostly unsuccessful, particularly in compensating claimants for actual and/or potential climate change impacts (Robinson and Carlson 2021). To date, litigation has been much more effective in avoiding future (new or additional) damages than in addressing issues of past damages. An increasing number of plans to open new coal mines and coal-fired power plants have been successfully challenged by communities and environmental justice organisations with key legal decisions in Kenya, South Africa, Colombia, Australia, and Wales for instance.

6. CONCLUSION

A just transition is a complex and multifaceted process. It is also a long-term endeavour. As a start, it requires all stakeholders to acknowledge the need for such a (just) transition. Then, it calls for all to agree on a working definition of a just transition. Realistically, the spread in understanding is often too wide to reach consensus on every issue. This should not prevent action, as the transition has already started and any delay will be detrimental to affected stakeholders. In deadlock, a solution-orientated approach, focused on answering specific problems (rather than addressing all aspects of a just transition at once) can provide an imperfect but workable vehicle to initiate a just transition. At the same time, short-term objectives should not get in the way of ambition. The just transition is only truly effective and transformative in its most ambitious versions, when striving for meaningful participatory, distributive and restorative justice.

Effectively, the tools necessary to design and implement a just transition are not foreign to governments and social partners. In most cases, they are already in use. However, they are yet to be harnessed and co-ordinated to foster a just transition. It is often more a case of redirecting existing tools and processes than about creating new instruments, particularly for distributive justice. Sometimes, it is about enhancing and enforcing what already exists, such as service delivery programmes, and rules and regulations for restorative justice. In some instances though, new entities or measures are necessary to fill some gaps. This is generally the case to achieve participatory justice as well as restorative justice.

The question of financing must also be answered as financial flows can enable or choke off transitional justice ambitions. Many existing funds can be shifted and redirected. This is notably the case of direct fossil fuel subsidies which were estimated globally at US\$0.6 billion (0.8% of GDP) in 2017 by the International Monetary Fund (IMF 2018).¹⁰ More can be raised, for instance through green and social bonds and the internalisation of externalities by wrongdoers. Such funds can provide a noteworthy impetus for implementation. Serious consideration should, however, be given to the financing of bottom-up, grassroots and other inclusive initiatives that generally do not meet the traditional investment criteria.

Achieving a just transition will be an incremental process made of small progress, important breakthroughs and some setbacks. It will be a trial-and-error journey. Indeed, no blueprint exists. But many lessons and building blocks are present within the system. They should be harnessed for ambition. Political will from all stakeholders, notably to reach consensus and engage with diverging views, is the main driving force, for the opposition of only one group can derail the process. Whether a just transition can be achieved depends on it.

¹⁰ In addition, indirect subsidies, linked to the absence of internalisation of externalities (such as global warming and air pollution), were estimated at US\$5.2 billion (6.5% of GDP) in the same year.

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