

# JUST COAL TRANSITION IN EUROPE

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# Compelling necessity: Revision of growth model

**Just transition** is the (only) way to make the **fundamental revision** of our energy and resource depleting **growth model become reality** and reach net-zero carbon economy by 2050

Four transformations shape the **future of work**:

- **Decarbonisation**
- Technological change
- Demographic change
- Globalisation



**HUGE emissions gap** after COP21; IPCC report (2018) – only a **max 1.5 C warming is manageable**

**So, the clock is ticking...and this is more and more recognised**

## Just transition: – wrap up - NOT `Just another transition`

JT is about **`just burden sharing`**, with different dimensions:

- Addressing climate and environmental justice (global North <> global South, historical + inter-generational)
- Dealing with distributional effects of climate policies (FiT, carbon price, ETS design during the transition),
- + **managing job transitions (More than a `fancy funeral`)**
- **regional restructuring (industrial policy, regional development)**
- **decent work and inclusive society in a zero-carbon world**

**Outcome:** decent jobs (ILO) in a zero carbon inclusive society: traditional jobs - good organised jobs; new green jobs often precarious;

**Process:** getting there, how job transitions are managed (nobody left behind, just burden sharing, managing social impacts), revitalise local economy – social dialogue at all levels

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# Phasing out coal is a priority

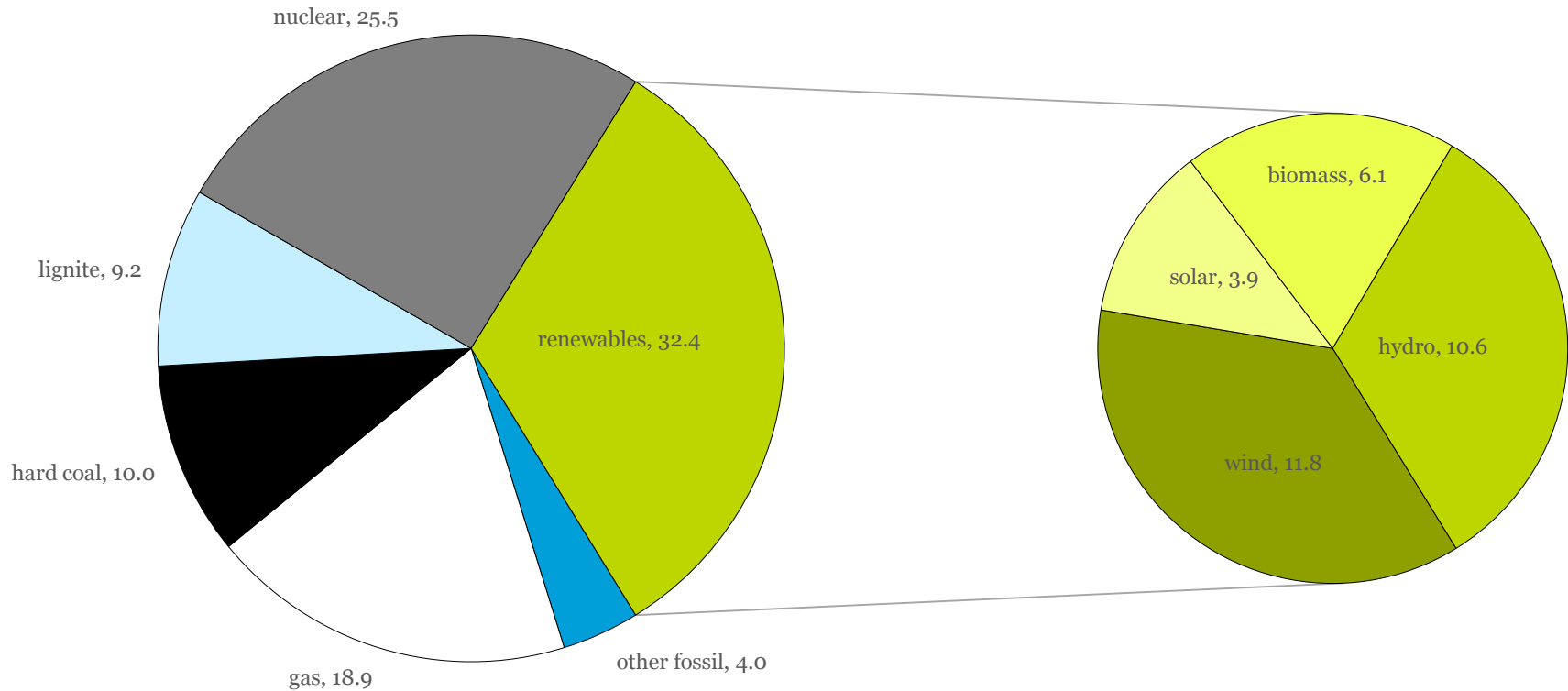
Getting climate change under control will not be possible without the timely phase-out of the use in power plants of unabated coal. Coal makes up 27 per cent of all energy used worldwide, and 38 per cent of electricity generation; it plays a crucial role in energy supply for industries such as iron and steel and is responsible for 44 per cent of global CO<sub>2</sub> emissions (IEA 2018).

40% of the coal use in the EU is covered by imports, making up 4.9% of total energy imports (2017).

In the EU28 coal made up 19.2% share of electricity generation in 2018 and was responsible for 15% of total EU ghg emissions, all this with cca 180.000 direct jobs and cca 130.000 indirect jobs in the entire EU (but concentrated into a small number of NUT2 regions). All this means: phasing out coal is a low hanging fruit of decarbonisation and must proceed ambitiously.

# The composition of electricity generation by type of fuel, EU28, 2018 (per cent)

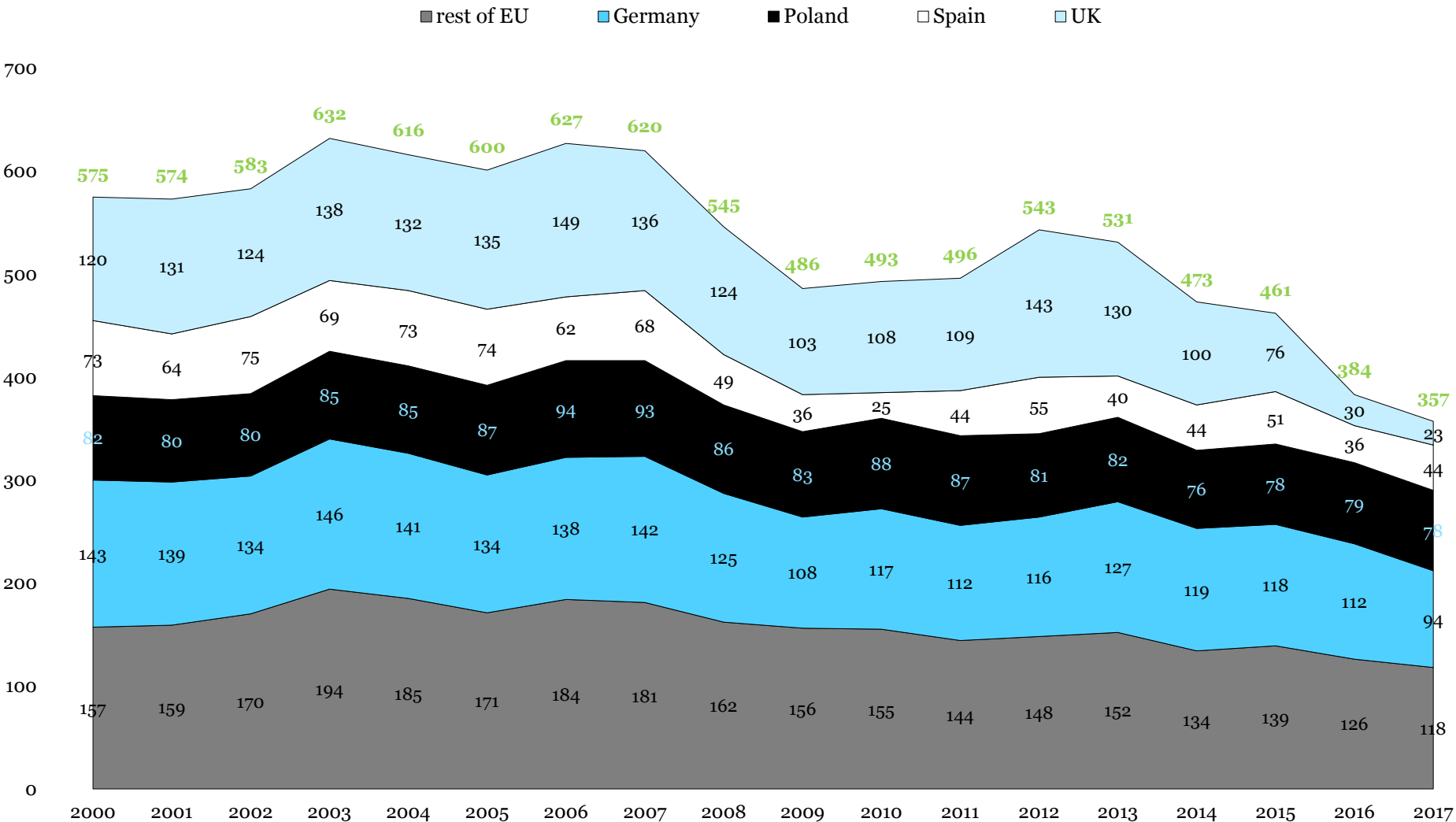
2018



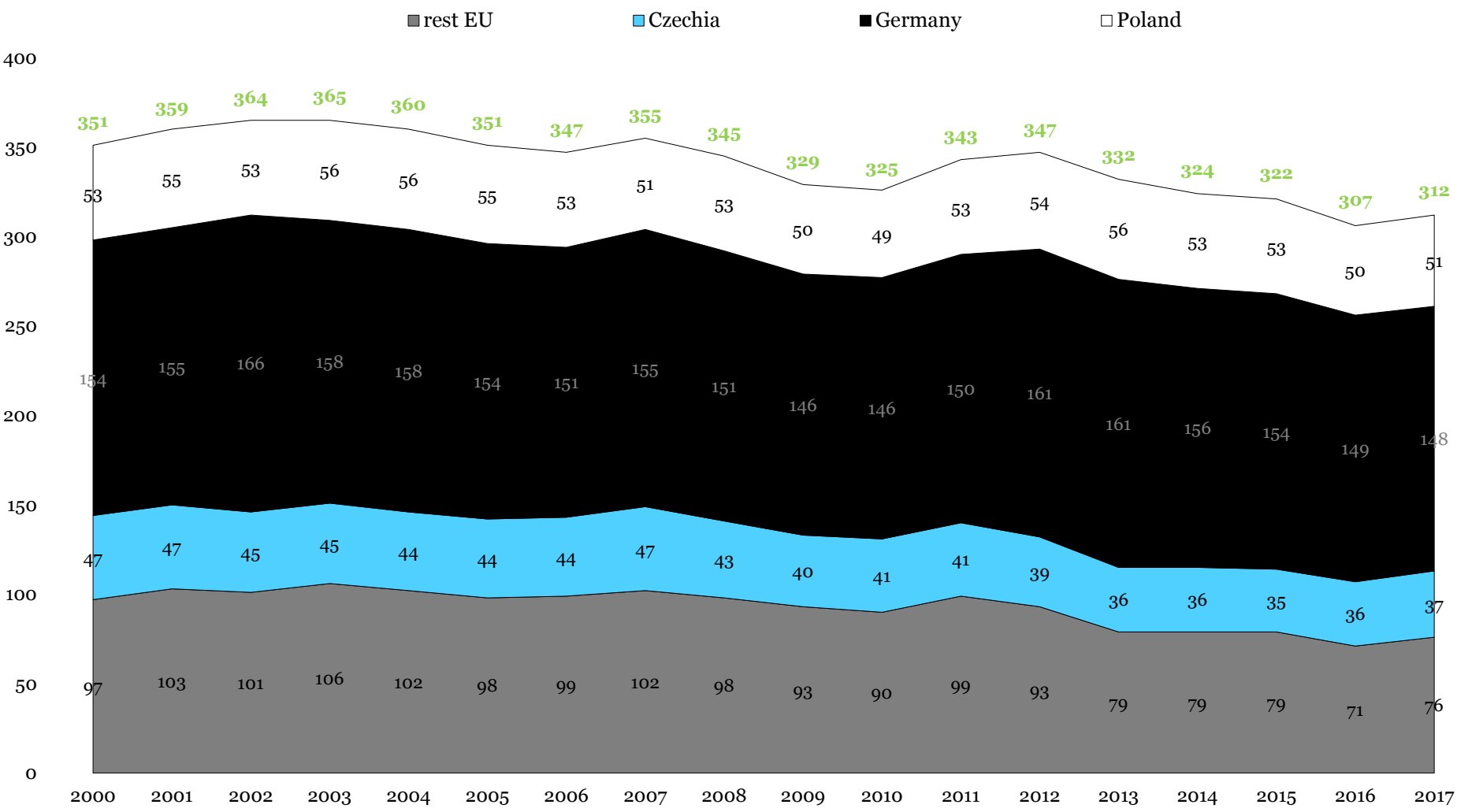
# Shrinking role of coal in electricity generation

Figures for the last decades show that although coal has a shrinking share, decarbonisation of the energy sector is very uneven: more progress in phasing out hard coal than the more polluting brown coal (lignite). While some countries made huge advances (Belgium coal free, France: very low share, DK, UK huge progress, Spain substantial progress. Very limited or no progress by some countries, above all Poland, Czechia and Germany. Germany and Poland are responsible for over 2/3<sup>rd</sup> of

# The role of hard coal in electricity generation in the EU (2000-2017), TWh



# The role of lignite in electricity generation in the EU (2000-2017), TWh





# Dimensions of inequality in the climate change context

With a fundamental revision of the economic model JT to a zero carbon world works only if it also contributes to repair entrenched inequalities of the past – TRUST is vital that you are not losing on change.

**There is no genuine trade-off between green-labour and social dimensions – still, during the transition these may appear**

Policies need to address these adverse effect from the outset in a comprehensive manner. In context of coal phase-out appropriate labour market policies and structural policies for the affected regions are pivotal. Employment in coal mining was over 2 million in the countries currently making up the EU in the early sixties, in 2017 it was just 129 thousand.

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# Shrinking employment in coal mining

## Employment in the mining of coal and lignite in the EU-27\*

	2007	2017
European Union - 27 countries	271,800	129,748
Bulgaria	14,289	10,300
Czechia	24,265	15,145
Germany	42,440	14,465
Spain	8,515	923
Poland	135,905	82,036
Romania	20,908	953
United Kingdom	5,944	1,420

Source: Eurostat 2019 [sbs\_na\_ind\_r2], \*EU-27: including UK, but excluding HR

Note: for UK, 2007=2008 and 2017=2016; for Czechia, 2007=2010

# Shrinking employment in the coal sector

Number of jobs in coal power plants and coal mines (top ten member states), 2015

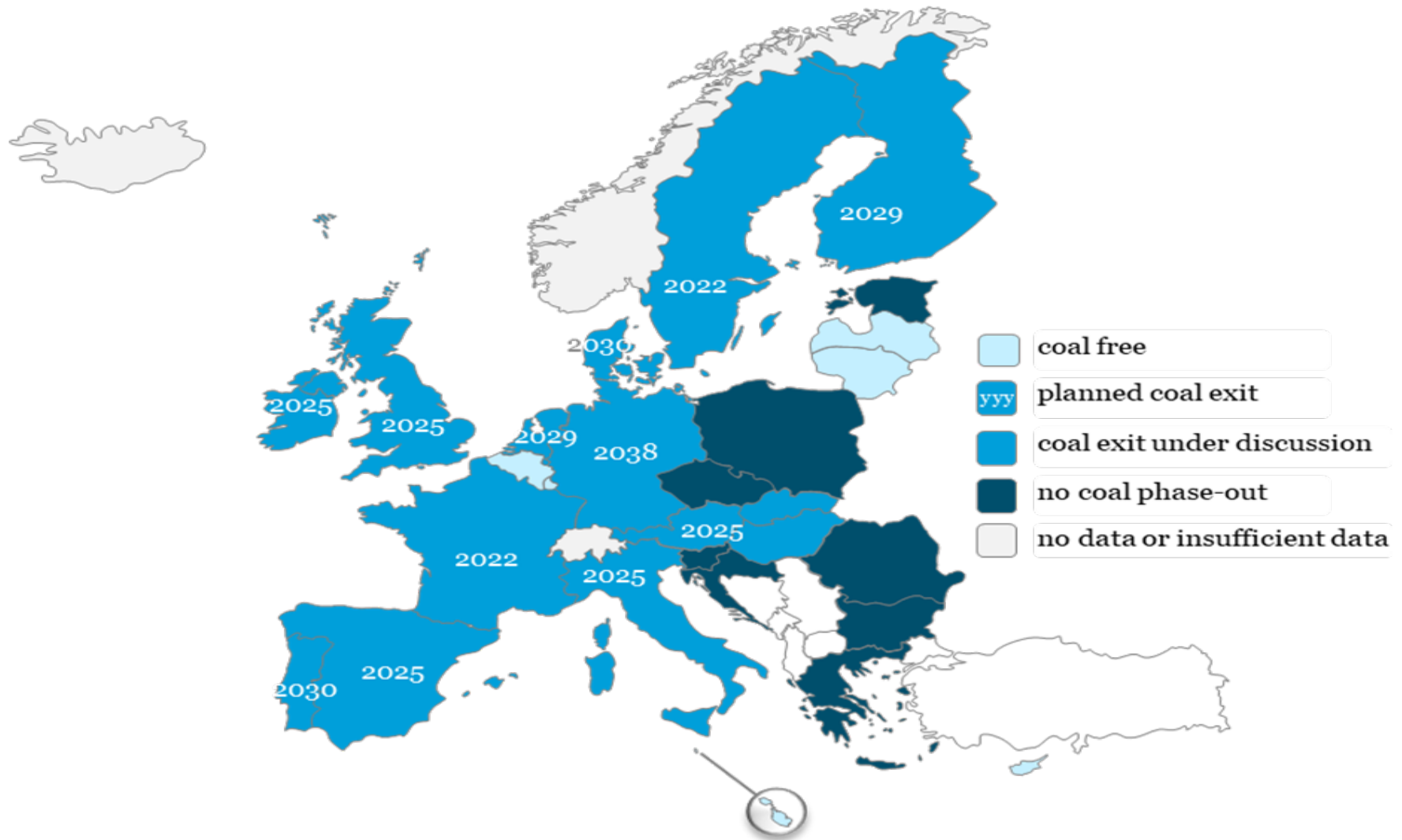
	Jobs in coal power plants	Jobs in coal mines	Total
Poland	13,000	99,500	112,500
Germany	10,900	24,700	35,700
Czechia	3,600	18,000	21,600
Romania	3,600	15,000	18,600
Bulgaria	2,700	11,800	14,500
Spain	3,300	3,400	6,700
Greece	1,600	4,900	6,500
United Kingdom	4,100	2,000	6,100
Slovakia	500	2,200	2,700
Italy	2,400	300	2,700
Rest of EU28	7,000	4,000	11,000
Total EU28	52,700	185,000	237,700

Source: Alves Dias et al. 2018

## Role of governments in JT

- Governments in charge of energy policy – infrastructure – networks – public investments – roadmap + employment policy framework to facilitate job transitions – comprehensive and **coherent policy framework needed**
- What responsibility do private and state owned energy firms have vis-à-vis employees at downsizing, restructuring and closure?
- What burden sharing, financing (JT fund)
- Social dialogue, social plans, employment transitions, training
- Differences by economic branch are also substantial:
  - A JT strategy for the energy sector (e.g phasing out coal) needs different approaches than e.g. in the automobile sector
  - Decarbonisation (in sectors) has different interlinkages to other megatrends (as e.g. digitalization /auto/, demography /mining/)
  - Not to speak about agriculture, land use

# Status of coal-phase out by MSs (as of December 2018)



## JT for coal: targeted labour market policies and regional revitalisation for affected regions

It is less about than a hundredth of a percent of EU jobs, but concentrated in a few countries and regions, where coal is the main and single employer. It needs sensitive, targeted and comprehensive labour market policy measures. There are good practice cases:

Ruhr: social pact 1993 for (hard) coal phase out by 2018,

Lesson: early retirement schemes are just the start, but by far not satisfactory; specialised labour market transition agency is key; + investment and regional development policies with the involvement of all stakeholders

## Labour market policies

France: although coal makes up a small fraction of energy generation, there are still five coal fired power plants to be closed down by 2022. The French government introduced a new labour market policy tool: ecological transition contracts.

ENEL (Italy`s No1 energy multinational and the EU`s No2) has announced the phase out of coal by 2029 and decided about the decommissioning of 23 power plants in Italy (nine already closed down), broad framework agreement with unions, full compensation for redundant workers; early retirement + intra-company mobility schemes (also cross border); intergenerational `employment relay`: apprenticeship programme combined with early retirement.

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ENEL Future-e programme: tender for development concepts for re-convergence of decommissioned industrial sites with the involvement of regional actors and policymakers, new concepts include logistic centres, agri-tourism, event organisation: fashion or cultural events; industrial and cultural heritage.

More info:

<https://www.etui.org/Publications2/Working-Papers/Phasing-out-coal-a-just-transition-approach>



## Trade union role

Focus not just on core workers (members), but on all –

Status quo is no solution, change is inevitable:

managing change in an advance looking way

Time horizon is crucial: short term vs long term interest  
(jobs of here and now vs future jobs)

Transition time is also important in order to get prepared

New innovative organisation strategies

The case of environmental justice becomes a catalyst of  
decarbonisation (US, CDN), in EU with delay (Diesel..)

*Coalition building*: trade unions and environmental justice  
groups (blue-green alliances) – more developed in North  
America, in the EU not yet an established practice