International approaches to a just transition

Introduction

To support the Welsh Government to define what is meant by a 'just transition' in the Welsh context, we conducted an evidence review on international approaches to a just transition. We considered whether a just transition in Wales can be seen through the lens of the Well-being of Future Generations (Wales) Act 2015 (WBFGA).

Context

There is widespread political agreement on the need to decarbonise economies in response to the ongoing climate emergency. The Welsh Government's commitment to sustainable development is clear, with the WBFGA being the fourth sustainable development strategy for Wales (Nesom and MacKillop, 2021). The seven well-being goals, Figure 1, reflect the four pillars of sustainable development within the Act (social, cultural, economic, and environmental).

To achieve sustainability in Wales, these four aspects of well-being need to be improved. The Act requires public bodies to set well-being objectives and to demonstrate that they are taking steps to meet these objectives.

What is a just transition?

There has been a proliferation of approaches to, and definitions of, a just transition.

A labour-oriented approach emerged in the 1970s and focuses on the rights of workers and communities impacted by a transition away from fossil fuel extraction and use. Within this

approach, just transition policies are measured on engaging with communities, creation of well-paid jobs, intersectional diversity and a recognition that polices should be tailored to local contexts (Emden et al., 2020).

Figure 1: Well-being goals established by the Well-being of Future Generations (Wales) Act 2015

Parallel to the labour-oriented approach, different concepts of justice underpin just transition definitions:

- **Environmental justice** examines the connections between inequalities (class, gender, and race) and the environment;
- **Climate justice** focuses on how transitions respond to the implications of rapid climate change for vulnerable groups;
- **Energy justice** focusses on mitigating any potential negative impacts on well-being from moving energy production to sustainable sources, and towards more

sustainable methods of energy consumption; and

- **Intergenerational justice** is concerned with how our actions will impact on future generations.

Each of these justice types has its own distinct focus and policy community, although there is considerable overlap. Bringing together environmental justice, climate justice and energy justice can promote fairness and equity during the transition (McCauley and Heffron, 2018).

Guiding principles

Many attempts to define a just transition focus not on developing a universal approach but instead presenting principles that can guide the development of context-specific frameworks.

The Stockholm Environment Institute has developed an example set of principles for a just transition (Atteridge and Strambo, 2020: 7), which synthesises multiple considerations:

1. Actively encouraging decarbonisation;
2. Avoiding the creation of carbon lock-in and people in these sectors losing out;
3. Supporting affected regions;
4. Supporting workers, their families and the wider community affected by closures or downscaling;
5. Cleaning up environmental damage, and ensure that related costs are not transferred from the private to the public sector;
6. Addressing existing economic and social inequalities; and
7. Ensuring an inclusive and transparent planning process.

Policy approaches to a just transition

A policy approach involves the creation of strategies and action plans as support mechanisms for social groups and businesses. They have common features including:

- The creation of a coordinating framework;
- A long-term planning focus;
- Capacity building; and
- Provision of funds.

Norway's Strategy for Green Competitiveness demonstrates how Norway can achieve net zero through investment in new and green industries (Pinker, 2020). Germany and Canada have established commissions to identify the impact of transitions upon different social and economic groups (Pinker, 2020). Scotland's Oil Worker Transition Fund retrains oil and gas workers to transition to new roles in more sustainable industries (Piggot et al., 2019).

To be most effective in its adoption, a just transition should not be seen as an 'add-on' to climate policies but should be 'embedded as an operational priority' (Abram et al., 2022: 1035). Scotland's Climate Change Act 2019 embeds a just transition within the domestic political system.

WBFGA as a foundation for a just transition in Wales

Aligning the above approaches with the well-being goals suggests that the WBFGA provides a suitable foundation for the adoption of a just transition in Wales.

A prosperous Wales	• A labour-oriented approach • Climate justice • Energy justice
A resilient Wales	• Climate justice • Energy justice
A healthier Wales	• Energy justice
A more equal Wales	• Environmental justice • Climate justice
A Wales of cohesive communities	• Procedural justice • Participatory justice
A Wales of vibrant culture and thriving Welsh language	• Procedural justice
A globally responsible Wales	• Environmental justice • Climate justice

Figure 2: Well-being goals and their aligning approaches

The WBFGA takes an intergenerational approach to well-being and sustainability, considering future generations when making decisions today. This aligns it to most just transition approaches. Specific alignments are presented in Figure 2.

Measuring well-being Gross domestic product is a narrow measure of economic prosperity. New approaches recognise that individual and community well-being are influenced by more than economic concerns, Figure 3 (Nesom and Tilley, 2021). Adopting a well-being lens means that climate and well-being goals 'should not be pursued independently' (OECD, 2019: 11).
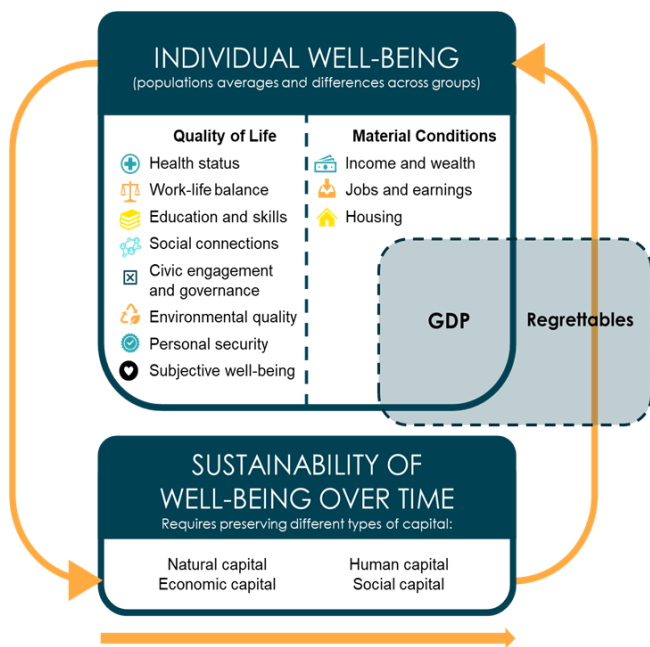

Figure 3: OECD well-being and sustainability framework

International examples highlight common practices, such as the creation of a coordinating frameworks, new long-term planning techniques and capacity building

International well-being frameworks

Lessons for adopting a just transition within a well-being framework include:

- New Zealand's 'Wellbeing Budget' with a just transition listed as one of the five 'enduring wellbeing' objectives set out in the budget. The government must report annually on the well-being objectives.
- A Wellbeing Economy Monitor has been developed to measure how Scotland's economy contributes to improving health, equality, environmental sustainability and fair work as part of its vision for a well-being economy. Data collected is used alongside traditional metrics to guide future decision making that strives towards a wellbeing economy.
- The Wellbeing Economy Governments' partnership between Wales, Scotland, New Zealand, Iceland and Finland shares expertise and policy practices.

Conclusion

A just transition approach demonstrates a commitment to fairness and inclusivity in decarbonisation policy. Several concepts of justice can underpin a just transition and bringing these together can lead to a more inclusive and comprehensive framework.

While it is accepted that a 'one size fits all' approach is not appropriate for different contexts, international examples highlight common practices, such as the creation of a coordinating framework, new long-term planning techniques and capacity building.

As the WBFGA underpins a focus on well-being and sustainable development within Welsh Government policies and practices, international experience suggests that the Act provides a suitable foundation for the adoption of a just transition approach in Wales.

Implementation of a just transition within a well-being approach should be supported by a set of guiding principles which will be critical in ensuring that the transition overcomes existing

inequalities. The roll out of innovative policy approaches to embed adjustments within Welsh Government policies will be important in achieving this.

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Find out more

For the full report see Morgan, C., Carter, I., Tilley, H., Haines-Doran, T. and Taylor-Collins, E. (2022). **International approaches to a just transition**. Cardiff: Wales Centre for Public Policy

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For further information contact:

Dr Tom Haines-Doran

+44 (0)29 2087 5345

tom.haines-doran@wcpp.org.uk