Just Transition through the Eyes of Local People



Platform for socio-ecological transformation

Policy recommendations from local civic initiatives for transformation of coal regions in the Czech Republic

The coal phase-out is a pressing issue in the Czech Republic. If it is to happen in a socially equitable way, the widest possible public consensus on the transition is needed. Neither the public administration nor the elected political representation have provided sufficient opportunities for meaningful participation of citizens in coal regions. Last year, we therefore conducted interviews with eight local civic initiatives that are working towards a better life in all three coal mining regions in the country. The result of our work is one of the most thorough and comprehensive participatory analyses of the core issues of the just transition in the Czech Republic.

This text maps the most pressing problems in the regions. Based on identification of these problems, we have provided five categories of policy proposals to address multiple structural problems at once. These include (1) meaningful participation, (2) decent and meaningful work, (3) affordable and sustainable housing, (4) affordable energy, investment in energy conservation and freeing people from debt traps, and finally (5) changes in landscape stewardship to make landscapes accessible to all and managed sustainably.

This set of grassroots just transition policy proposals primarily aims at social justice and cohesion, economic stability and environmental sustainability. It thus provides a perspective on what constitutes successful economic transformation that goes beyond the criteria of "productive investments" and "green growth". We hope it can be useful to policy-makers and experts, as well as inspirational for the general public and social movements.

The urgent need for a just transition in the Czech Republic

In 2020, the Czech Republic was the third biggest producer of lignite and one of two only producers of hard coal in the European Union.¹ Both types of coal are among the main sources of carbon emissions in the energy sector in the EU – formerly leading single sources of emissions in this area, they were overtaken by natural gas in 2020.² The country's dependency on coal use remains a notable obstacle for the EU's climate leadership with Czech representatives vocally opposing its decarbonisation plans and failing to make use of the opportunities presented by the low-carbon transition.³

The unfortunate absence of legitimate coal phase-out plans is a result of the governmental Coal Commission's failure. The Commission's recommendation to end coal as late as in 2038 has now been revised by the incoming government as unrealistic due to both public opposition and the economic reality of rising ETS prices, and it has been moved to 2033. Regardless of the phaseout date, the commission's gravest failure lies in setting virtually no provisions for dealing with social and economic impacts of the incoming phase out, leaving concerns and needs of the people in coal regions unaddressed.⁴ The result is an atmosphere of uncertainty and frustration.

Preparation of the Czech TJTP and strategic projects

A rushed preparation of the Territorial Just Transition Plan (TJTP), especially in the last year, has caused concerns of policy-makers and experts as well as the directly affected general public. So called "strategic projects" – regionally selected large-scale projects with presumed transformative potential for the economy – currently form the cornerstone of the Czech Territorial Just Transition Plan (TJTP).

This Czech speciality might allow spending The Just Transition Fund (JTF) on time. On the other hand, there is a risk that important issues whose solutions would necessitate more thorough participation and planning will remain unaddressed, and deep structural problems will thus remain unsolved.

The selection of the strategic projects is already under scrutiny of experts because of a lack of transparency and the expected outcomes.⁵ Currently, the TJTP is going to be approved by the new government and submitted to the EU. It is therefore of the utmost urgency to consider the citizens' perspectives in the evaluation of the proposed plan.

Challenging imbalances of political power

The success of just transition in the Czech Republic depends on the perception and attitude of the directly affected local people. Notably in the time of the authoritarian turn in CEE, nourished by the anti-EU rhetoric where climate policies are attacked in the language of a cultural conflict, it is strikingly urgent to gain broad public support in order to prevent potential rejection of the necessary climate measures.

The approach taken by the political parties of both the leaving Prime Minister Andrej Babiš, and the incoming Prime Minister Petr Fiala, is to demonise the European Green Deal as a "from above" imposed policy. This fuels the rage of those who already bear the brunt of the consequences of economic inequality and insecurity, and now fear that European climate policy will further affect their quality of life. At the same time this framing benefits the economic interests of the owners of coal companies. The media owned by oligarchs and coal tycoons readily contribute to fostering this malicious narrative.⁶

In other words, if we want to succeed in the decarbonisation strategy, we cannot afford to waste either time, or public resources. Ultimately, we cannot lose the public support of ordinary people in the European coal mining regions. Just transition must therefore provide a pathway to living a satisfied and dignified life.

In this publication, we present policy recommendations for a bottom-up just transition and provide specific suggestions to act for successful economic transformation of the coal regions. These recommendations have emerged from the hitherto most thorough participatory analysis of core issues of the just transition. Moreover, it is based on interviews with representatives of eight civic initiatives that work on improving the quality of life in the Karlovy Vary, Ústí nad Labem and Moravian--Silesian Regions.

It is thus reasonable to expect that these measures will receive broad support, effectively address the simultaneous entanglement of various social problems, and appropriately complement the distribution of resources from the Just Transition Fund. Our work was also enriched by collaboration and discussion with the domestic and international experts, social and climate movements, unions and public administration representatives in several public debates and workshops in the coal regions and online.

Local civic initiatives as relevant experts

The perspective of citizens' initiatives is vital for assessing the success of the transformation. It should be considered in planning as it leads to further possibilities for open and meaningful communication with the public administration. This approach starts from the premise that local people have unique, locally embedded knowledge of the places they inhabit. They can thus serve as relevant experts and crucial actors in democratic deliberation on the future of their communities and environments, whose views should not be neglected.

The process of designing the just transition is currently compromised by the lack of participation of those directly affected, which can result in misunderstandings and even resistance to the measures being introduced. The lack of trust based on the previous experience with the misuse of the EU funds has been repeatedly mentioned.⁷ The currently existing democratic deficit in the planning of the transition - where many people in the regions have not even been informed of the concept

of a just transition, let alone being included in the crafting of a shared vision of its outcome - needs to be remedied.

These grassroots recommendations have the potential to increase public influence on decisionmaking, ensure that the transformation meets the local citizens' needs, and avoid counterproductive investments that delay the needed transformation or ultimately increase its cost.

At the heart of the analysis is a participatory approach based on semi-structured interviews, formal and informal discussions taking place in the locations where research partners live and work, transforming their surroundings in coal regions for the better. Although the recommendations are not exhaustive, they pay more attention to the needs of local people than participatory activities designed by ministries and regional governments have allowed so far.

Our recommendations cannot be taken as a silver-bullet solution for a successful just transition everywhere, because the scope of our work is limited and not methodologically representative. Nevertheless, we hope that articulation of the policy proposals from below by the locally affected people will not only inspire other communities in a similar situation, but also foster international dialogue and nurture opportunities for participation meaningful for the ordinary people. We thus provide important insights and create fertile soil for further cultivation of the dialogue about just transition tailored to the common societal interests.

Recommendations

Our publication presents proposed solutions in five thematic areas that should be reflected in economic restructuring. It identifies key needs and proposes appropriate policies that will lead to environmental sustainability and social cohesion while having a reasonable chance for public support.

These themes are:

1. Meaningful participation: There is a need for broader awareness and understanding of political decision-making processes, and meaningful opportunities for the general public to participate in the planning transition. People's needs need to be surveyed and discussed in advance in public meetings and consultations before specific political proposals and strategies are drafted.

2. Decent and meaningful work: The coal phaseout will affect jobs not only in coal mines and coall-fired power plants, but also in related industries. Furthermore, the respective regions are already facing a lack of decent jobs nowadays. Good jobs need to be created. These new jobs could cover shortages of skilled craftsmen as well as positions in the care sector and public services such as education and health care.

3. Affordable and sustainable housing: Coal regions are suffering from a concentration of housing ownership in the hands of foreign corporations, the rise of empty "investment" flats, gentrification leading to vanishing communities and neighbourhood relations, and the decline of municipal housing and rental housing in general. Possible solutions could be based on a transfer of property owned by corporations to housing co-operatives and local residents as well as support of social housing. It is also necessary to support environmentally-friendly renovations and reduce households' energy costs through investment in renewable energy and insulation.

4. Affordable energy, investments in energy conservation and freeing people from debt tra**ps:** Unemployment and housing issues are typically intertwined with other causes of poverty and social issues such as energy poverty, over-indebtedness and the unjust system of enforcement and debt collection. Just transition needs to deal with all these issues, otherwise social inequality may get even worse. Possible solutions include amended legislation related to enforcement and debt collection (introducing state bailiffs instead of private ones, territoriality of bailiffs etc.), debt jubilee and debt relief measures. For reduction of households' energy costs, investments in energy savings and support for community renewable energy projects are required.

5. Changes in landscape stewardship to make landscape accessible to all and managed sustainably. Restoration and recovery of the landscape in mining and industrial areas is one of the key topics of just transition. Landscapes of coal regions are vulnerable to climate change impacts and drought, and prone to biodiversity loss. The future of the landscape in some mining areas is unclear and subject to speculation which make development of nearby villages more complicated. Required steps include participation of the general public in planning processes, recultivation using natural measures (ecological succession) and environmentally friendly measures and support for young and starting farmers. A summary of the identified needs and the recommended policy proposals to address them are presented in the table below.



Identified needs of local people	Proposed solutions
Meaningful participa- tion in planning and	 Establishment of citizens' assemblies and local councils to participate in planning
decision making	 Smaller targeted meetings with different groups for plan- ning
	 Proactive informing of the public by the civil administration during policy developmen
	 Greater proportion of public funding to smaller initiatives
	 Public consultation on just transition plans, but also on particular strategic projects
	 Assistance with project preparation and administration for minor applicants
Decent and meaningful work	 Support for decent jobs in sectors that are suffering from shortages according to the needs analysis (e.g. reproductive professions such as doctors, caregivers, teachers, or crafts) Promoting education related to the above sectors
	 Support in administrative and bureaucratic tasks for smal and start-up entrepreneurs or cooperative enterprises, especially those setting up a business
	 Reduction of labour taxation to motivate the transition from the "švarcsystém" – delegating work to self- em- ployed persons instead of creating proper employee contract - to decent work relations
	 Creating jobs as close to home as possible, for example in the form of guaranteed green and decent jobs
	 Allowing and encouraging retraining within existing con- tract employment
	 Promoting the employment of Roma men and women in local government and public institutions
	 Recognition and support for alternative and informal forms of work, such as neighbourhood assistance or the Participatory Guarantee System
	 Ensuring accessible quality lifelong learning and effective retraining in cooperation with future employers

Affordable and sustainable housing	 Promoting green renovations, reducing energy costs through investment in renewable energy and insulation Transfer of immovable property from large owners to housing associations or to local residents Promoting social housing
End energy poverty and other forms of poverty: affordable energy, savings and freedom from debt traps	 End private bailiffs; introduce the territoriality of bailiffs Jubilee – a measure forgiving debts to public companies and institutions after payment of the original claim and administrative fee Debt Relief Investing in energy savings Support for community renewable energy
Natural environment accessible to people and managed sustainably	 Public involvement in planning large-scale changes of the natural environment Designating space for spontaneous succession recultivation Building nature based-solutions Support for young and new farmers

Re-set: platform for socio-ecological transformation is a Czech organization that uses research, education and public engagement to support efforts for a more sustainable and just society. We develop and popularize concepts for a social, ecological and democratic economy, we investigate the causes of social and ecological problems and we look for solutions. We support bottom-up initiatives and work with social movements that strive for a good life for all in diverse fields. We help people organize and promote their interests together. In our Climate justice program, we conduct research and organising activities to support the rapid phase out of coal and other fossil fuels, and the transition to a new energy system based on decentralized, democratically controlled renewables.

www.re-set.cz/english info@re-set.cz

Credits

Just Transition through the Eyes of Local People: Policy recommendations from local civic initiatives for transformation of coal regions in the Czech Republic

Published by Re-set: platform for socio-ecological transformation

Authors: Mikuláš Černík, Veronika Dombrovská, Kateřina Holá, Alžběta Sobotková, Áron Tkadleček, Marika Volfová Design: Kateřina Holá Translation: Petra Jelínková

February 2022

This briefing is an abridged version of the full Czech language text Spravedlivá transformace očima místních lidí: Politická doporučení místních občanských iniciativ pro proměnu uhelných regionů. The full report can be found at https://re-set.cz/wp-content/uploads/2022/01/spravedlivka_finale_web.pdf

Sources

1 See: <u>https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20210810-1</u>

2 See: <u>https://www.euractiv.com/section/emissions-trading-scheme/news/gas-overtakes-lignite-as-europes-largest-source-of-power-emissions/</u>

3 See the analysis of the European Council on Foreign Relations: https://ecfr.eu/publication/europes-green-moment-how-to-meet-the-climate-challenge/

4 See the press release: https://beyond-coal.eu/2020/10/19/czech-coal-commission-contemplates-self-defeating-coal-phase-out/

5 See the ISFC analysis: <u>https://static1.squarespace.com/static/5f7709cd-633d6220bbee2709/t/60759d754b3bef419abe4525/1618320759020/JTM+report.pdf</u> or CEE Bank-watch analysis: <u>https://bankwatch.org/wp-content/uploads/2021/07/2020-07-09_TJTP-briefing-3_final.</u>

<u>pdf</u>

6 See the compelling analysis of Sybera: <u>https://www.bne.eu/comment-energy-lobby-domi-nates-czech-climate-change-debate-223022/?source=czech-republic</u> or interview with Alexander Vondra (EU MP) on the official ODS party website claiming decarbonisation plans as "religious" and "applauded by hysterical public": <u>https://www.ods.cz/clanek/21367-zeleny-udel-nejde-o-zachranu-planety-ale-o-prerozdeleni-bohatstvi-v-evrope</u>

7 See the former Prime Minister Babiš: <u>https://www.europarl.europa.eu/news/en/press-ro-om/20210517IPR04145/conflict-of-interest-and-misuse-of-eu-funds-the-case-of-czech-pm-babis</u> or the Evaluation of the Czech SAO: <u>https://www.nku.cz/assets/publications-documents/eu-report/eu-report-2020-en.pdf</u>

The publication is supported by Rosa Luxemburg Stiftung e.V., zastoupení v České republice.

The publishers alone are responsible for the content provided; the positions presented in these texts do not necessarily represent the points of view of the foundation.

