A FRAMEWORK FOR JUST TRANSITIONS

Just Transition Initiative
About the Authors

This publication was produced by the Just Transition Initiative, a collaboration between the Center for Strategic and International Studies (CSIS) and Climate Investment Funds (CIF).

Acknowledgments

This report is made possible by support from Climate Investment Funds. This report is produced by the Center for Strategic and International Studies (CSIS). CSIS is a private, tax-exempt institution focusing on international public policy issues. Its research is nonpartisan and nonproprietary. CSIS does not take specific policy positions. Accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author(s).

This report was produced with the financial and intellectual contribution of the CIF; however, the views expressed do not necessarily represent those of the CIF or the World Bank. While reasonable efforts have been made to ensure that the contents of this publication are factually correct, the CIF and the World Bank do not take responsibility for the accuracy or completeness of its contents, and shall not be liable for loss or damage that may be occasioned directly or indirectly through the use of, or reliance on, the contents of this publication.

© CSIS and CIF 2021. All rights reserved.

csis.org | climateinvestmentfunds.org
justtransitioninitiative.org CSIS

CIF encourages the use, reproduction and dissemination of this text for use in non-commercial products or services, provided that appropriate acknowledgment of CSIS/CIF as the source and copyright holder is given.

The citation should be: © CSIS and CIF, 2021.
A Framework for Just Transitions

Climate change poses an unprecedented threat to life on earth, requiring rapid economic and social transformations that will affect workers and communities and will have broader impacts on society. Over the past decade, there has been a growing focus on ensuring that workers and communities are not left behind as the world transitions toward a cleaner and more resilient future. With more countries and regions setting net-zero targets and ambitious climate and energy goals, it is all the more important to develop plans for the communities that will be affected by climate change and the changes, opportunities, and risks associated with responses to it.

Governments, labor groups, investors, business, civil society, and environmental organizations are increasingly using the principles and practices of “just transitions” to address the economic and social implications of climate policy. Yet the term itself is unfamiliar to many and elicits many different responses from diverse stakeholders. The Just Transition Initiative (JTI)—a partnership between the Climate Investment Funds (CIF) and the Center for Strategic and International Studies (CSIS)—has developed a framework that incorporates many definitions of and perspectives on just transitions.

History and Context

In the 1980s, organized labor and environmental groups in the United States began to advocate for public policies that protected the natural environment as well as workers. By the late 1990s, following interaction between labor and environmental justice groups, this advocacy was reflected in the new term “just transition.” In the early 2000s, organized labor became increasingly concerned that international climate negotiations were not addressing the social and employment impacts of climate policy and led a coordinated effort to mainstream the just transitions concept. The goal of a just transition was incorporated into the negotiating text for the Copenhagen Summit in 2009 and later the preamble to the historic Paris Agreement adopted in December 2015.
While labor issues remain essential to the just transition discourse, the use of the term has expanded to highlight a variety of risks and equity issues associated with climate change impacts and mitigation and adaptation policies.

A number of questions underpin the just transitions discourse, but there is limited convergence on the answers to these fundamental challenges:

- Whose values and understandings of the world are recognized and legitimized?
- Who decides what kinds of transitions are needed and how are different groups included in the decision making processes?
- Who benefits and loses in change processes?
- How can competing perspectives and the resulting allocation of benefits and harms be allocated in ways that are safe and just for diverse stakeholders over extended geographic areas and time periods?

A New Framework for Just Transitions

In its first phase of research, the JTI developed a preliminary framework to reflect the broad range of definitions and perspectives on just transitions. Through feedback and application
in country case studies, the framework has been refined as a tool to help stakeholders think through key dimensions of just transitions.

This framework can be used to assess current just transition principles and processes and support more transformative practices. It can be applied at different geographical scales (local, national, regional, and global) and time horizons (short-, medium-, and long-run) and is located within a global ambition of limiting climate change-related temperature rise to below 2°C. The framework illustrates how achieving this ambition will require actions across two critical dimensions: social inclusion and distributional impacts.

Social inclusion refers to the types of groups that take part in decision making processes related to the transition. At one end of the spectrum, socially inclusive actions ensure the recognition and participation of a diverse set of stakeholders and vulnerable groups to allow them some degree of influence, although this consultation may be relatively superficial. A more expansive approach to social inclusion in just transitions empowers these groups to influence and potentially own decision making processes that affect their economic and social well-being. This requires governance structures and institutions at the local, national, and international levels that enable social inclusion in transition processes. In this type of expansive approach, just transitions would allow marginalized and vulnerable groups to challenge and overcome unequal power relations. Genuine recognition also allows diverse identities to exist alongside each other without discrimination.

Distributional impacts concern the fair allocation of the benefits and harms associated with transitions. This includes addressing issues of access, historical injustices (restorative justice), the current allocation of transition outcomes, and the consideration of future impacts. In a narrower interpretation, the distributional impacts of just transitions would focus on the direct impacts associated with transitions, for example, the workers in specific sectors whose jobs may be jeopardized. A broader approach to distributional impacts would encompass impacts across many sectors and groups, including concerns over economic, social, and environmental justice.

A third, cross-cutting element of just transitions is intention or the underlying vision for transition planning and action. This is a critical aspect of just transitions because it captures the range of perspectives and approaches to driving the social, political, and economic change that can be realized through just transitions. In the “reform” approach outlined in the framework above, the preference is to achieve change through existing social and economic systems, via incremental rather than radical change. At the other end of the spectrum, a “transformation” approach indicates an ambition to overhaul existing political and economic systems that are incompatible with sustainable development and social equity.
Approaches to Just Transitions

It is difficult to find real world examples of just transitions that perfectly illustrate these three key dimensions of social inclusion, distributional impacts, and intention—but below are hypothetical examples indicating a range of approaches.

**QUADRANT I: SYSTEMS CHANGE**
Example: an effort to remediate and redevelop environmentally degraded lands for sustainable industries. The effort is part of a larger, community-led initiative to address environmental injustice and develop a sustainable, locally based economy that promotes social equity by empowering vulnerable or marginalized community members.

**QUADRANT II: NARROW TRANSITION**
Example: a group of workers gains ownership of a solar panel manufacturing facility as a cooperative. The cooperative promotes equal opportunity and compensation for women and provides technical training and skills development targeted at women in Science, technology, engineering, and mathematics (STEM).

**QUADRANT III: INCREMENTAL REFORM**
Example: a government phase-out of coal mining in accordance with international climate targets, coupled with strategic investments in low-carbon industries. The phase-out is negotiated through formal dialogue between workers, ownership, and government, and includes financial support for affected workers, as well as plant operators.

**QUADRANT IV: TOP-DOWN TRANSITION**
Example: large-scale wind investments in an authoritarian political system intended to mitigate climate change and increase access to affordable energy. Affected workers and communities have minimal input on siting and other issues, but displaced residents are compensated, and local workers are offered financial and educational assistance.

Taken together, these components of social inclusion, distributional impacts, and intention across different geographic scales and time horizons show how widely perceptions of just transitions vary. They also capture the range of perspectives on what just transitions can accomplish and how these changes should be carried out. Some groups—for example, a national or local labor union in a particular industry—may regard just transitions as a vehicle to accomplish aims such as protection for workers in their own industry. These stakeholders may have
very different views on how transformative these changes should be (with the variance captured by Quadrants II and III in the diagram above), but ultimately their main concern is likely a narrower set of impacts for particular interest groups. At the opposite end of the spectrum, many climate justice activists, environmental groups, labor confederations, and others view just transitions as the means to address many inequalities and injustices. Quadrant I in the framework diagram indicates a view that the social, environmental, and economic change promised by just transitions cannot be achieved without a radical overhaul of our institutions and governance.

Part of the appeal of just transitions is that the concept encompasses a range of concerns over climate change-related responses, social justice, and economic equity. Yet the all-encompassing nature of just transitions raises the risk of making it an empty term that creates the appearance of change or a commitment to change while undermining the transformative intent that has informed its development. The term also faces the burden of unrealistic expectations. It is asking a great deal for just transitions to create a pathway to sustainability, economic equality, and justice and to resolve many complex societal failures. But applying just transitions principles can help to alleviate legitimate concerns and potential resistance to effective climate policy by addressing risks to affected communities and opening opportuni-

### Dimension: Social Inclusion

**Recognition and participation** of stakeholders and vulnerable groups that afford some degree of influence in the decision-making process.

Challenging unequal power relations and **empowering** vulnerable populations to influence and collectively own decision-making processes.

### Dimension: Distributional Impacts

A **focus** on direct impacts associated with transitions, most commonly related to jobs in specific sectors.

An **expansive** or broad approach that incorporates impacts across sectors and stakeholders, related to economic, social and environmental justice.

### Cross-Cutting Element: Intention

**Reform** indicates the desire to achieve change within existing social and economic systems. Reform may be needed for incremental steps towards transformation.

**Transformation** indicates an ambition to overhaul existing social and economic systems that are incompatible with sustainable development and social equity.
ties for them while protecting their rights. Delivering on the key principles of just transitions—inclusive decision-making and the fair distribution of the benefits and burdens produced through climate action—is imperative to achieving climate goals.

It is with this intention that the CIF is applying this framework in country case studies. These studies explore how the CIF’s investments have interacted with just transition efforts in different countries and use the framework to understand and reflect diverse perspectives, approaches, and possibilities associated with key actors. Applying the framework in these case studies has highlighted several implications in terms of social inclusion and distributional impacts:

- The importance of recognizing groups subject to discrimination on the basis of race, caste, and gender, and ensuring that their perspectives are included in transition processes.
- Revealing how participatory development of key plans can lead to positive outcomes related to social inclusion.
- Demonstrating how an expansive scope when considering distributional impacts can lead to a broad range of benefits through value chains and wider geographic areas.
- Illustrating the importance of considering the different impacts of change initiatives between geographic areas and across different time horizons.

Justice requires that the benefits and burdens associated with change processes are fairly allocated between individuals and groups. The urgent and complex nature of responses to climate change requires that new principles, processes, and practices be developed and implemented to ensure just transitions associated with climate action. The consolidation of many aspects of justice in the proposed just transitions framework shared here and the use of this framework to reflect on and inform climate action is part of the ongoing work of the JTI. As additional case studies are conducted and new insights are developed, these will be shared with partners and the broader community seeking to ensure just transitions associated with economic, social, and environmental change.