

EEB CASE STUDY 3

Just Transition: Towards a more Inclusive and Sustainable Future

“The Just Transition Mechanism (JTM) is a key tool to ensure that the transition towards a climate-neutral economy happens in a fair way, leaving no one behind. It provides targeted support to help mobilise around €55 billion over the period 2021-2027 in the most affected regions, to alleviate the socio-economic impact of the transition.” [Website of the EU](#)

The idea of "just transition" is to protect the population and civil society from the profound and rapid changes caused by the measures taken to cope with climate change impact. The aim of "just transition" is to ensure a fair distribution (in the sense of "more socially equitable") of benefits and risks, taking into account the gap between developed countries and the "global south".

Despite large communication campaigns and best intentions by policy makers, there remain important challenges when it comes to decision making, including the role of governments, multilateral institutions and the private sector, funding and fairness.

To design a fair system aiming to fight the impact of a global problem leads to questions regarding power structures and dynamics and the related ethical dilemmas.

With today's understanding, we can see that richer countries have gained economic power at the expense of the environment. With the accumulated wealth, they can today invest in more sustainable technology as much as in an infrastructure and knowledge-base that supports the energy transition on an economic and social basis.

In contrast, lower-income countries that have contributed less to global emissions in the past, tend to nowadays depend more on fossil fuel extraction and use older and hence less "green" technology. Hence, their workforce is more engaged in energy-intensive heavy industries as well as in the coal or mining sector.

Facing the upcoming energy transition, how can we define a fair distribution of funds given this initial disparity between rich and poor countries that are not only separated by financial means but most of all by power differences?

Please tackle this dilemma:

Should "just transition" be a market-based or policy-induced transition and who should have a voice in this policy-making process: The ones who are most affected or the ones who are paying?