

Facing a critical juncture – The externalisation of the EU's Just Transition agenda

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Executive Summary

- > Since the adoption of the Paris Agreement in 2015, the promotion of Just Transition has been central to the European Union's (EU) external projection of intent regarding the global energy transition. However, the evolution of this external policy has been episodic.
- > Policy externalisation has reflected a mutability of aims and a growing contrast with internal policy. Moreover, internal Just Transition policy has largely mimicked cohesion policy, thereby making its international transference challenging.
- > Today, the EU is arguably approaching a critical juncture, which will determine how it is perceived on Just Transition globally.
- > To enhance its efforts in promoting global Just Transition the EU requires a strengthened strategic framework to guide its policy in a rapidly changing world. In particular, the European Commission with its competences, resources, and internal policy intent, demonstrated by the European Green Deal, and its experience of coal phase-out, remains a critical agent of change in such a reorientation.

The promotion of Just Transition, that is, an energy transition that aims to be socially fair and just, has emerged as a central dimension of the EU's external action on global energy transition, representing a significant new linkage between internal and external policy. EU attention to Just Transition has evolved in an episodic manner, testifying to the challenge of promoting a consequential but contested concept in a complex external environment. Additionally, some contradictions

between the internal and external dimensions of Just Transition Policy have begun to emerge.

This policy brief examines the evolution of the EU's external Just Transition policy since the Paris Agreement in 2015. It argues that the EU is now approaching a critical juncture, or 'policy crossroads', which will determine its efficacy in promoting Just Transition globally. The policy brief offers policy lessons and recommendations to enhance the EU's credibility as a promoter of Just Transition globally (for a more detailed analysis of the evolution of EU external Just Transition policy, see Pollock 2022).

Just Transition: a pervasive but slippery concept

Just Transition is a concept prone to metamorphosis. In scope, it can vary from a narrow focus on managing the direct impacts of energy transition policies on fossil fuel workers, especially in the coal sector, to more expansive definitions addressing wider socio-economic impacts of energy transition and the transformation of socio-economic systems. This elasticity is arguably a product of varied conceptual framing by policy actors which accommodates differing interpretations of justice. These include distributive justice (addressing the impacts and opportunities of transition in a fair manner), procedural justice (ensuring the involvement and empowerment of affected individuals) and cosmopolitan justice (addressing the needs of those affected globally, regardless of circumstance). Although the International Labour Organisation's (ILO 2015) definition – relating to greening the economy in a fair and inclusive manner which creates decent employment – has achieved notable traction, the concept's fluidity allows it to reflect the normative positions of differing state and non-state actors, from trade unions to environmental non-governmental organisations. The EU's own definition has varied since the concept gathered policy momentum in 2015 both internally and externally.

Just Transition in EU external action: three episodes of policy externalisation

Since the adoption of the Paris Agreement in 2015, the EU has become a notable champion of Just Transition on the global stage. During this period, three overlapping episodes of EU policy activism can be observed: emergence; amplification; and diffusion. Each phase has had notable features in terms of conceptual positioning, aims, and policy modality. These episodes, in a relatively short timeframe, highlight the challenge of externalising and framing an internal policy in an environment shaped by external actors and relationships as well as unforeseen events, such as the Covid pandemic and Russia's invasion of Ukraine.

Emergence (2015-2019)

In this period, EU actors promoted Just Transition internally and on the global stage via a range of means, including Poland's Presidency of COP24 and the work of the European Parliament, to advance the internal case for financial support for EU territories most affected by decarbonisation policies, particularly coal regions. The EU's conceptualisation of Just Transition reflected the broad notions of distributive and procedural justice advocated by the global coalition for coal phase-out. In turn, the European Commission's internal policy response was shaped by past precedent, particularly regionally focused cohesion policy and the related principles of regional targeting and partnership. This path-dependent approach limited the external transferability of internal policy innovation, including the internationally respected EU Coal Regions in Transition Initiative. This territorial policy lens arguably marginalised other policy frameworks for addressing Just Transition in the EU and beyond, such as techno-industrial systems change, which would have placed policy in the context of broader, less spatially contingent notions of socio-economic institutional, technological, and relational change.

Amplification (2019-21)

During this episode, the unparalleled policy intent of the European Green Deal (EGD), described as "Europe's man on the moon moment" by its President von der Leyen, made the European Commission a unique global actor on energy transition. Yet, its aims – to leave no person and place behind whilst decarbonising the socio-economic system – underscored Just Transition's conceptual mutability. While the Commission replicated a Coal Regions in Transition 'sister initiative' in the Western Balkans and Ukraine (with multilateral partners), its promotion of Just Transition's radical message of cosmopolitan justice in the Global South (AP News 2021)

and the concept's geopolitical implications were relatively undefined. Simultaneously, EU internal policy, including the signature Just Transition Mechanism, remained based on unique precedent and norms which made policy transference challenging. However, the opportunity to address such issues was circumscribed by the Covid-19 pandemic's impact on EU and global policy agendas.

Diffusion (2021-today)

In this latest period, the EU at COP26 supported widening Just Transition's scope to include phasing-in of energy technologies, such as hydrogen, at a time when coal remained the largest and a growing source of greenhouse gas emissions. Although procedural justice remained central to the EU's internal agenda, its place in external action was equivocal. This change was evident in the developing Just Energy Transition Partnerships (JETP) with South Africa, India, Indonesia, and Vietnam and their seeming elevation of energy justice (relating to issues such as energy access, cost, and resilience) over inclusive and participatory goals. Although the EU's external energy engagement strategy drafted after Russia's invasion of Ukraine committed the EU to international promotion of a Just Transition, it sidestepped issues of procedural and cosmopolitan justice, indicating that conceptual positioning remained fluid (European Commission 2022). In terms of leadership, the EU's role was progressively moderated through multilateral forums and instruments, such as the Just Energy Transition Partnerships, in which large member states have notable influence.

Altogether, the EU's external action on Just Transition has evolved considerably during this period, reflecting the innate geopolitical character of the Just Transition agenda. Yet, despite this agenda's intertwinement with policies beyond climate and energy, such as development, human rights, and security, and the inherent potential challenge it poses to vested interests, the geopolitical implications of its external promotion have at times seemed underrated by EU actors.

Key lessons of EU external engagement on Just Transition

President von der Leyen's portrayal of the EGD as "Europe's man on the moon moment" was an apt analogy given the scale of the challenge and need to depart from embedded precedent to achieve an epoch-defining mission. Yet, the policy and institutional change required to make the EU a global enabler of Just Transition has arguably been limited in comparison to its intent.

Policy framing

The EU's framing of Just Transition has occurred in a somewhat organic manner, simultaneously embracing

notions of distributive, procedural, cosmopolitan, and energy justices, and the phasing-out and phasing-in of energy technologies, with insufficiently explicit mapping of their alignment. In the EU, the concept's elasticity has been mitigated by framing it in path-dependent institutional frameworks and practices, particularly those of the Commission, and by targeting policy intervention at specific regions and industries, especially relating to coal. However, such mitigation is problematic when moving from the internal to the external policy space. The EU is a relatively new actor on the global stage and how it frames and communicates Just Transition policy in the near term will profoundly shape its longer-term global profile and reputation.

Policy development

An unstable external policy context has seemingly led to variance between policy intent and policy development, thereby engendering paradox and an uncertain narrative. Arguably, in the place of a strategic framework to guide policy aims and interdependencies with other external policy areas, an administrative framework has emerged which is predisposed to replicate internal practices internationally, often in a diffuse multilateral delivery context. In both its neighbourhood and the Global South, the EU is attempting to transfer its increasingly rich but unique knowledge of Just Transition to countries that do not possess institutional features on which internal action is contingent. Although an administrative orientated modality has advantages, such as facilitating interservice collaboration and minimising intra-institutional friction, its longer-term efficacy is questionable as the increasing geographic, sectoral, and geopolitical scope of Just Transition is revealed.

Leadership

The EU possesses the mixture of hard and soft powers to allow it to be the prime actor on the global stage if it so chooses. In particular, the European Commission with its diverse competences, external aid and financing instruments, unparalleled internal policy intent, and experience of coal phase-out, has the means to make the EU a global leader. However, the nature of such leadership has seemed equivocal, ranging from the Commission's claim to global leadership at the launch of the EGD to the European Council's more restrained call for the external transference of EU knowledge regarding Just Transition. Moreover, large Member States have relative autonomy to pursue their own agendas in international forums. How EU leadership regarding Just Transition will be advanced in these multilateral contexts requires elaboration. A combination of roles is possible: a *primus inter pares*

agenda-setter, an enabling technocrat offering expertise, a mediating conscience promoting global well-being, or a source of inspiration and example.

Recommendations: what's past is prologue

The EU is approaching a critical juncture in determining whether global decarbonisation is perceived as a Just Transition or just a transition. It can use its presence on the international stage to chart a new inclusive course through the global tempest of climate change. Below are policy suggestions to enable a course adjustment.

Strengthening strategy

A developed strategic framework that scopes and directs the EU's principles, aims, priorities, and methods, and acknowledges interdependencies with other policy domains, such as development, human rights, and security, would provide a coordinating mechanism for EU actors operating in a world in flux. Although definitions of Just Transition are fluid, the EU should articulate a conceptual reference that embraces the requisite social, developmental, and inclusive principles of a Just Transition. These principles can then be overlaid on differing aspects of the Just Transition process in heterogeneous contexts to clarify EU policy objectives and modality. By way of example, these aspects can relate to the sectoral focus of policy (e.g., coal phase-out, phase-out of other carbon-intensive technologies, phasing in of renewable energy technologies), its geographic scope (EU internal, wider Europe including enlargement candidate and neighbourhood countries, Global South, other industrialized countries) and the nature of policy leadership (by example, *primus inter pares* leadership, co-leadership with other players). Such 'policy lenses' will provide a means to design, promote and adapt policy in a way that resolves or manages the inevitable paradoxes of concurrently progressing internal and external policy in different contexts.

Institutional change: reimagining, harnessing, and projecting

To effectively implement such a strategic approach, the EU should go beyond policy and practice based on embedded institutional precedent. Rather than try to externalise policies, norms, and agendas which have worked well in the internal domain, institutional innovation needs to accompany strategic boldness. To enhance its agility in a world in flux, the EU should further assess its powers and capacities across a range of related policy domains and their potential to further interact to enable a Just Transition externally. Moreover, a greater premium can be given to external policy that departs from internal

convention, thereby opening new policy space to consider the merits of alternative approaches in the external context, such as techno-industrial systems change.

In this context, the fact that the EU is a relatively new actor on the international stage has a notable advantage: it is not encumbered with the colonial legacy of some Member States. To ensure that EU resources and resolve are marshalled to exploit this advantage, the externalisation of Just Transition should engage a broader set of Member States, not only those with pronounced international interests. The Polish Government's role in promoting Just Transition at COP24 demonstrates the potential of such an approach (COP 24 2018). An obvious opportunity to create common purpose across the EU relates to advancing a fair and just coal phase-out in its immediate East. Finally, although additional public funds to incentivise and de-risk Just Transition are required, further consideration needs to be given to how Europe's corporations can contribute. Privately led technology transfer, procurement, and investment have the potential to be compelling additional stimuli and USPs.

Sectoral focus: the centrality of coal phase-out

The global phase-out of coal, the world's biggest and growing source of greenhouse gas emissions, particularly in the Global South, should remain central to the EU's external policy agenda in the near to medium term. As recent data on coal consumption and the outcomes at COP26 demonstrate, coal phase-out within a tolerable timeframe is not certain (International Energy Agency 2022). Notable progress in delivering a Just Transition in the global coal sector will give confidence to stakeholders in other sectors that a fair transition can be achieved. This does not mean ignoring Just Transition in other sectors, rather it is a matter of clearly scoping the process, priorities and temporal contingencies for a Just Transition in a strategic framework.

Geographical scope: concentric circles

Internal and external Just Transition policies represent a continuum, not separate spheres. First, the EU must deliver its domestic agenda, especially in terms of coal phase-out. Second, Russian aggression has exposed the fragility of Just Transition in the EU's neighbourhood. Therefore, EU external action should be proportionate to the opportunity and threat in the Western Balkans and Ukraine. Third, although EU activism in the Global South is circumscribed by multilateral arrangements, limited presence, and the power of large emitters like China and India, it is in this geographic sphere that the battle for climate change will be won or lost. The EU must find

additional mechanisms to communicate, engage, and co-create around decarbonisation in general and Just Transition in particular with the nations of the Global South. However, it can also exercise 'pledge and review planning' with respective governments to facilitate reallocation of resources should the added value of engagement prove limited. Finally, the transition needs of smaller states in the Global South should not be marginalised and a more comprehensive stratification of geographic policy priorities should be adopted.

Leadership that comes in several forms

The most important form of EU global leadership relates to the achievement of a Just Transition in its own borders. The EU must embody the principle of 'Common but Differentiated Responsibilities' and lead by example if it is to exercise external authority and credibility. Amongst its Eastern neighbours, the Commission should demonstrate *primus- inter-pares* status with other involved multilateral actors, including non-EU governments and international development banks. In the Global South, multilateral action should more fully engage JETP recipient countries to engender more symmetrical relations and co-creation, thereby encouraging regional powers to become champions for a Just Transition in their respective continents, such as South Africa in Sub-Saharan Africa.

Conclusion: a critical global actor at a crossroads

Given that Europe is historically a significant contributor to global warming, encouraging poorer countries to undergo energy transitions which may jeopardise their development ambitions risks that the EU is cast as a disingenuous international actor. In this context, meaningful EU external action on Just Transition will be critical for credibly promoting the EU as a global force for collective well-being. Arguably, the EU is approaching a crossroads given a growing contrast between internal and external Just Transition policy principles, aims, and modality and the partial relevance of externally promoting internal knowledge and practice. A union being forged in crises can surprise sceptics if it effectively harnesses its expertise, resources, and imagination to offer a solution to the time-critical challenge of decarbonising our planet in a just manner. Policy, leadership, and institutional capacity need to be further triangulated to promote Just Transition on the global stage. To achieve this, a strategic framework strengthened along the lines discussed in this contribution should guide the future development and implementation of EU Green Deal Diplomacy supporting the Just Transition.

Further Reading

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