



JUST TRANSITION TO NET ZERO

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(Mains GS 3 : Environment Conservation and Environmental pollution and degradation)

Context:

- Recently , UN Secretary General Antonio Guterres urged wealthy nations to end coal use by 2030.
- In the budget session of Parliament, Jayant Sinha, former Minister of State for Finance, submitted a private bill to the Lok Sabha which urged the Indian government to commit to a net-zero emissions target by 2050.
- If India really intends to announce an ambition for net zero, then as a country which uses coal for more than 70 per cent of its energy, it will face daunting challenges.

Socio-economic consequences of shifting towards clean energy:

- There are multiple pathways to achieve net-zero emissions but almost all of them require moving away from coal.
- Globally, the conversation on net-zero emissions has almost always come after or gone hand-in-hand with a coal phaseout plan.
- Increasingly, this phaseout plan also carries elements of a “just transition”.
- Just transition emerged from the labour movements of the 1970s which advocated support to workers who were forced to transition due to environmental and social concerns.
- Today, this concept incorporates elements of energy justice, climate justice and environmental justice.
- It recognises that there will be broader social and economic consequences of transitioning to clean energy, and it is imperative that governments manage this transition in a deliberate manner to avoid replicating existing imbalances.

The coal phase out plan:

- Most coal phaseout plans include a roadmap for workers and communities dependent on fossil fuels.

- The German coal phaseout plan seeks to end coal burning by 2038 and calls for an investment of more than 50 billion euros for mining and plant operators, impacted regions and employees.
- In the US, President Joe Biden has created a new Interagency Working Group on Coal and Power Plant Communities and Economic Revitalisation which is supposed to deliver resources that will revitalise the coal, oil and gas communities.
- Canada, too, put in place a Just Transition taskforce in 2018, when it decided to phase out coal by 2030.

Impact of coal phase out on employment:

- In FY20, India consumed approximately 942 million tonnes (MT) of coal, 730 MT of which was produced domestically.
- Of the total coal production, approximately 666 MT was produced by CIL and SCCL which roughly employing about 2.24 lakh workers.
- Thus about nine lakh people, (based on a four-person household) are dependent on coal mining.
- This does not include white-collar workers of CIL and the fact that underground mines are highly unproductive and older legacy mines have more workers than coal mines.
- Using different employment factors, one study has pegged direct coal jobs at 7,44,984, while another study pegs it at approximately 12,00,000.
- Further, these figures do not include contract employees working for mine development operators (MDOs), captive mines under private players and those employed in coal transportation activities.
- Thus with all this, we have still only covered the formal direct and indirect jobs in the coal value chain.

The other challenges due to transition from coal to clean energy:

Social issue:

- The challenge in transitioning coal workers in India is also in factors like education, skill levels, willingness to migrate, and caste.
- Without adequate information on these parameters, it becomes difficult to decide how and where to finance the transition.

Revenue issue:

- Moreover, revenues from coal and allied activities form a significant portion of receipts in India's coal-bearing regions.
- In FY20, the Centre alone collected approximately Rs 29,200 crore in GST compensation cess from coal.
- These revenue receipts are used for development under different budget heads at the state level.

- A transition away from coal must account for the loss to the state and district exchequer.

Conclusion:

- India may or may not succumb to the global pressure to announce a net-zero target.
- Thus , India needs to phase out coal but in a gradual manner so that least socio-economic problems will occur.