

ENVIRONMENTAL JUSTICE, CLIMATE CHANGE, AND A LOW-CARBON FUTURE: A FRAMEWORK FOR JUST TRANSITION

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While there is an urgent need to rapidly decrease greenhouse gas emissions, we must also recognize the negative economic and social consequences that will come from decarbonization. While there is not one definition, just transition broadly refers to the need for targeted policies to protect marginalized communities and displaced workers as we move to a low-carbon future. This essay presents a four-pillar framework, developed in consultation with environmental justice communities in California, to guide the development and implementation of just transition policies.

THE JUST TRANSITION MUST BE TARGETED AND COMPREHENSIVE

Research shows that marginalized communities bear a disproportionate amount of the environmental and economic costs of the extractive economy while receiving very few of the associated benefits.² Because of this “climate gap,” already burdened communities, often low-income and communities of color, will suffer the most adverse consequences from the impacts of climate change for several structural and institutional reasons, including a lack of resources available to deal with the financial, social, and environmental impacts of climate change.³ At the same time, these communities often emit far fewer greenhouse gas (GHG) emissions and, therefore, do not contribute to climate change at the same rate as wealthier populations.⁴

The existence of a climate gap requires that efforts to address climate change must focus on economic and racial inequity and not just on reducing GHG emissions. Overburdened communities cannot be assumed to automatically benefit from universal programs, such as an overall reduction in fossil fuel use and carbon emissions.⁵ Research has found that GHG-emitting facilities are disproportionately located in marginalized communities, but reducing overall GHGs under the California Cap-and-Trade Program has yet to yield meaningful reduction in localized pollutants.⁶ To prevent increasing inequality, the transition away from fossil fuel extraction and use requires targeted policies that address not only the likely job loss from decarbonization, but also the historic legacy of the extractive economy. In short, a just transition must not just be compensatory but also comprehensive.

A FRAMEWORK FOR JUST TRANSITION

The foundation of just transition is understanding and mitigating the negative economic and social consequences of decarbonization *and* coupling that with active strategies to incorporate communities that have borne the environmental burden of the economy we are exiting and were excluded from its economic benefits. Moreover, the lack of success of previous efforts to transition workers and communities away from declining industries and into comparable economic stability underscores the urgency of just decarbonization.

While the overall legacy is one of unjust transition, a few successful examples show the potential for a larger, more comprehensive just transition. Through analyzing the data on just transition,

four key guiding principles emerge: (1) strong governmental support; (2) dedicated funding streams to support transition programs and efforts, including job training and creation; (3) strong, diverse coalitions; and (4) diversifying economic opportunity. Far from being dispositive, the four pillars of just transition are meant to provide a blueprint for communities to shape future policies to transition away from fossil fuels. A more thorough discussion of the four pillars and case study examples can be found in *A Roadmap to an Equitable Low-Carbon Future: Four Pillars for a Just Transition*.⁷

Pillar #1: Strong Governmental Support

The scale and scope of decarbonization requires consistent, strong governmental support. Transitioning into a low-carbon future will require both short-term policies to provide immediate support to communities and workers negatively impacted by the decline in oil and gas extraction and use, as well as longer-term programs to restructure local economies. Short-term supports for displaced workers, such as unemployment benefits and retraining programs, are already administered through federal and state programs. Longer-term restructuring of local economies and transforming former fossil fuel sites is also best done through public, government programs. While private “green” businesses have a vital role to play, we cannot rely on the private sector alone as, ultimately, it has limited incentive to invest in and support displaced communities and workers at the level required because this support may not create short-term profit or have a high rate of return on investment.⁸ As such, both short-term and long-term policies are best suited to be administered through the public sector and require strong and consistent government support for a just transition.

Pillar #2: Dedicated Funding Streams

Both short-term and long-term transition support will require substantial funding. A significant factor in the failure of previous transition efforts was inconsistent and uncertain funding streams. Dedicated, continuous funding streams, where a consistent revenue stream is allocated to a particular program, community, or sector provide the predictability and stability necessary for long-term planning. Funding is necessary for short-term needs—such as wage replacement or replacing lost tax revenue when a plant shuts down—and for long-term needs—such as seeding new business development and funding long-term training and retraining programs.⁹

Pillar #3: Strong, Diverse Coalitions

Just transition requires support for workers and communities that will be economically displaced by a movement away from fossil fuel production *and* environmental justice communities that have long been left behind. Transition plans that are supported by a diverse coalition and represent different interests are more comprehensive and more likely to identify and address the needs of workers and communities. When these coalitions stay together, they can ensure that the resulting transition addresses workers and communities more holistically, that solutions to climate change do not exacerbate existing inequalities, and that the very act of collaboration builds a stronger political basis for more ambitious goals and policy agendas.

The importance of strong, diverse coalitions does not ignore the challenges that come with bringing different interest groups together. These tensions are real, but focusing on shared goals can bring diverse interests together and sustain their collaboration over time.

Pillar #4: Economic Diversification

The final pillar of just transition is diversifying the economic base. Overreliance on a single industry or sector leaves communities and workers extremely vulnerable when the industry or sector declines.¹⁰ Investing in emerging and growing sectors provides a more diverse and stable economy, and climate policy itself can help diversify economies. In fact, bold climate policy sparks innovation and ambitious GHG reduction targets create demand for new products and technologies. Businesses, with state support, respond with clean technological and market innovations that reduce emissions.¹¹ Moving away from fossil fuel requires a reimagining of the way our economy has developed since industrialization. Ensuring quality job creation, strong local economic growth, and attracting and retaining new industries is fundamental to creating a healthy economy and a pathway to a just transition.

CONCLUSION

Transitioning to a low-carbon future will be complicated, expensive, and require broad-based public and political support. Just transition requires a holistic, comprehensive vision that moves beyond emissions reduction to addressing issues of health care, affordable housing, transportation, and others to ensure communities and workers can thrive in a low-carbon future. The four pillars of just transition—strong governmental support, dedicated funding streams, strong, diverse coalitions, and economic diversification—can provide a road map to an equitable, low-carbon future.

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Signature/ Date

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² Seth B. Shonkoff et al., *The climate gap: environmental health and equity implications of climate change and mitigation policies in California—a review of the literature*. *Climatic Change* (2011) 109 (Suppl 1):S485–S503, <https://escholarship.org/uc/item/4815h61w>; RACHEL MORELLO-FROSCH ET AL., USC PERE, *THE CLIMATE GAP: INEQUALITIES IN HOW CLIMATE CHANGE HURTS AMERICANS & HOW TO CLOSE THE GAP* (2009), https://dornsife.usc.edu/assets/sites/242/docs/The_Climate_Gap_Full_Report_FINAL.pdf/.

³ *Id.*

⁴ Lutz Sager, *Income Inequality and Carbon Consumption: Evidence From Environmental Engel Curves* (Center for Climate Change Economics and Policy, Working Paper No. 319, and Grantham Research Institute on Climate Change and the Environment, Working Paper No. 285, 2017), <http://www.lse.ac.uk/GranthamInstitute/wp-content/uploads/2017/11/Working-Paper-285-Sager.pdf>.

⁵ Lara Cushing et al., *Carbon Trading, Co-Pollutants, and Environmental Equity: Evidence From California's Cap-and-Trade Program (2011-2015)*, 15 PLOS MED. e1002604 (2018), <https://doi.org/10.1371/journal.pmed.1002604>.

⁶ *See id.*

⁷ Cha, et. al, *supra* note 1

⁸ Georgios Altintzis & Esther Busser, *The Lessons From Trade Agreements for Just Transition Policies*, 6 INT'L J. LAB. RES. 269 (2014).

⁹ Robert P. Taylor, Institute for Industrial Productivity, *Case Study: A Review of Industrial Restructuring in the Ruhr Valley and Relevant Points for China* (2015), <https://c2e2.unepdtu.org/wp-content/uploads/sites/3/2016/04/industrial-restructuring-in-the-ruhr-valley.pdf>.

¹⁰ Adele C. Morris, et. al, *The Risk of Fiscal Collapse in Coal-Reliant Communities*, Brookings Institution, (July 2019),

https://www.brookings.edu/wpcontent/uploads/2019/05/Morris_Kaufman_Doshi_RiskofFiscalCollapseinCoalReliantCommunities-CGEP_Report_FINAL.pdf.

¹¹ NEXT 10, *2018 California Green Innovation Index- 10th Edition* (August 30, 2018), <https://www.next10.org/2018-gii>.