

Justice as a challenge for the global energy transition

Essay • 12 January 2023 • Jesse Hoffman, Maarten Hajer & Marte Vroom

The current policies surround energy are mainly aimed at combating the negative social effects of the ongoing energy transition, such as the new price caps on energy that several governments have installed. Having such a reactive stance when managing energy policies is too restrictive. A more inspiring perspective is within reach if we connect the energy transition to the ideal of a vibrant, just and democratic society. This means the role of the state and its government need to be viewed from a new perspective.

Translation by Kayleigh Herber, Cachet Translations

In 2022, the energy transition was suddenly at the top of the political agenda and the forefront of everyone's mind. For a long time, the energy transition was mainly a subject reserved for experts and those in-the-know, but the tide has turned: the phasing out of fossil fuels such as coal, gas and oil has suddenly become top priority, even within the privacy of our own homes. Especially the Russian invasion of Ukraine has put everything on edge. In fact, the start of the political discussion can already be seen, for example in questions about the role and treatment of large-scale consumers such as [data centres](#), the renewed attention for [nuclear energy](#) and the [nitrogen crisis](#) - which has seen the government pitted against the agricultural sector in fierce discussions about cutting the emission of nitrogen.

For a few years now, NGOs, politicians, academics and government agencies inside and outside of the Netherlands have been calling for a 'just energy transition'. In December 2022, the EU agreed to the proposed Dutch 'Just Transition Plan' and made €623 million available for its execution. The Dutch plan focuses mainly on employment, such as retraining the 49,000 employees in the fossil fuel industry. Although the plan is appealing at first glance, something is not quite right. After all, the policy is mainly about preventing what we do not want, such as energy poverty or increased unemployment rates after the phasing out of fossil activities. But, if this is the case, then what *do* we want instead?

From new sources of energy to political change

Changes in an energy system usually herald a major social and political transition. A couple of good examples of this are the oil crises of 1973 and 1979. In both crises the new dependence on oil became painfully clear: the far-reaching price rise gradually pulled the Netherlands into the

economic decline. In doing so, it increased the pressure on the sizeable government expenditures, which had grown in an unprecedented way, particularly as a result of the welfare state that had been previously built up during the post-war decades.

The second oil crisis dragged the Netherlands deeper into economic decline, resulting in a large number of bankruptcies and mass unemployment. It was the start of a new political and economic paradigm in the Netherlands. The business community stirred up and pleaded through publications and lobbying for far-reaching cutbacks and the liberalisation of the economy. The oil economy and the resulting crises initiated a political shift that to this day determines what is considered reasonable, desirable and feasible. It also enabled the political dominance of the CDA (centre to centre-right) and VVD (centre-right) – and this shift has persisted for the past 45 years.

An energy transition is therefore never just a technical issue. The contemporary political order is deeply rooted in the way we deal with energy. We are also misled by the word "transition". It suggests that the 'energy transition' is a technical change of fuels: gas and oil out, renewable in, and off you go! As long as we rely on sound technical knowledge and make duly considered policy choices, we can 'manage' the transition.

However, nothing could be less true. For example, some sustainable sources take up more than a hundred times the space of fossil sources. On top of that there's the necessary expansion of the energy infrastructure due to emerging electrification, the transformation of the network for renewable sources, and the establishment of an infrastructure for more recently developed forms of energy such as hydrogen, as well as the choice of the right application for such expensive new energy carriers.

The next ten years will see an unprecedented redistribution of access to energy, with new pricing, a different approach to the scarcity of space, the attraction of investment and the development of economic activity. History shows what impact such a transformation can have. Just think of the Dutch peat that was exported to Brussels and Paris and thus built a whole new economy. The 19th century networks of steam trains fuelled by coal brought together distant places that could form nation-states. Moreover, coal was at the basis of the rise of social democracy and the welfare state.

Just as access to fossil fuels helped shape societies and political institutions, so a new energy infrastructure based on renewable resources means yet another redistribution of power and resources, leading the emergence of a new political reality. The question is: how will this redistribution take place? Who benefits, and who's paying for it?

Promoting an energy transition that actively contributes to a more vital, just and democratic society

It has long been assumed that the development of an energy system based on renewable sources would automatically lead to positive side effects for the distribution of power. However, various studies of the past fifteen years have shown that these positive social effects do not occur. In fact, the energy transition seems to be moving in the opposite direction: investments in sustainable energy worldwide seem to lead to more social inequality - not less.

Research by two economists affiliated with the University of Groningen showed that subsidized wind projects received so much subsidy in 2019 and 2020 that the investors were able to pocket large excess profits. The dominance of large companies in receiving energy subsidies such as the SDE(+)(++) has become increasingly visible over the past ten years. However, the price for these subsidies is partly paid by ordinary households. In addition, citizens are mainly confronted with the outcomes of policy, often in their own living environment, and feel ignored during important discussions about the future of energy.

Recently, there has been more attention for the broader impact of the energy transition. This can not only lead to unjust outcomes, but can also undermine democratic society itself. The social costs of the transition are often unevenly distributed across regions. A large part of new energy projects is financed by foreign investors, which means that the ownership and control lies outside the local environment. The profits made on energy projects, often subsidized by the Dutch government with Dutch tax money, flow out of the country.

Elsewhere, countries with weaker economies, such as African countries such as Namibia, run the risk of being caught up in a strategy in which a lot of energy generation takes place there, but only with the ambition to then export the energy to Europe in the form of hydrogen.

We also see unjust outcomes at a local level. Experiments with natural gas-free neighborhoods are mainly taking place in post-war neighborhoods such as Rotterdam Pendrecht, Utrecht Overvecht or Paddepoel in Groningen; neighborhoods that often already experience a lot of economic poverty and health problems. Although such a transition is drastic, residents are insufficiently involved in and informed about these projects. This is even more problematic because the practice turns out to be more unruly than previously thought; citizens in these neighborhoods are more vulnerable and therefore run an even greater risk of being disadvantaged by possible problems as a result of experiments surrounding the transition to natural gas-free living.

Not only is this inequality unfair, it also jeopardizes support for such a transition. The riots and anger surrounding the nitrogen dossier, an exponent of agriculture that makes very intensive use of fossil fuels, are striking examples of the great dissatisfaction and hard conflicts that can be caused by this.

Time for a compelling vision of a just energy transition

In our view, the problem is that there is currently no compelling vision of how we can link investments in sustainable forms of energy locally, regionally and nationally to a just future for all Dutch citizens. Without attention to the way in which energy transition and social justice are linked in policy instruments and decision-making, the risk of an unjust energy transition remains huge.

This also calls for attention to the role of the government. To date, the government has often opted for a facilitating role in the energy transition, both on the demand and supply side. This is not sufficient for the design of a just energy transition, as the discussion about data centers has shown, among other things. This requires a more mission- and management-oriented government, which also comes up with a vision on the main energy infrastructure.



This essay was originally written in Dutch and has been translated by [Kayleigh Herber](#), Cachet Translations.

The Just Energy Essays

This essay is part of the series 'The Just Energy Essays'. From January 2023 until the beginning of March 2023, weekly essays were published on the Dutch energy news website [Energieia](#), each one with a new perspective exploring just energy transitions. The essays have been penned by philosophers, engineers, lawyers, sociologists, political scientists, development researchers, researchers who focus on the influence of gender, and more. This series has been developed in collaboration with the Urban Futures Studio, a subsidiary of Utrecht University. For more information on this series, please contact [dr. Jesse Hoffman](#).

Seminar

In a contribution to a broader perspective and insight into the design of a just energy transition, we have asked various researchers to write an essay on this topic. The essays come from philosophers, engineers, lawyers, sociologists, political scientists, development researchers, researchers who focus on the influence of gender, and more. Over a series of weeks these essays were published on Energieia. On March 7, 2023, a seminar was held on shaping a just energy transition.