

SHORT TERM SCIENTIFIC MISSION (STSM) SCIENTIFIC REPORT

This report is submitted for approval by the STSM applicant to the STSM coordinator

Action number: CA16232

STSM title: Energy transition towards a low-carbon future by 2050 as aim of the European Green Deal – who are those not to be “left behind”?

STSM start and end date: 04/09/2021 to 03/10/2021

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PURPOSE OF THE STSM:

The announcement of the European Green Deal and the EU Commission’s promise that “no one will be left behind” in Europe’s transition towards a low-carbon future urges us to reflect on the risk of reproducing existing inequalities in energy systems and societies as well as creating new ones. Thus, the ambiguities and fuzziness in different understandings and visions of a just energy transition that “leaves no one behind” led to this research. It addressed the question which social groups and which places are or ought to be considered as vulnerable in the process and outcomes of energy transitions. In this respect, this work contributes to the objectives of Working Group 4 to emphasise the social implications of the energy transition in Finland.

Regarding to the specific objectives of ENGAGER, the main goal of the research stay has been to contribute to the Cost Action objectives on the following topics:

- *Linking Debates:* the research during my STSM revealed the complexity of the task ahead in energy transitions which demands and enables joint debates between discussions on ecological and social justice, energy poverty, intergenerational justice, identity and place attachment, urban-rural conflicts, political power debates, technological innovation and investment as well as participation in decision making
- *Making technologies, renewables just:* energy transitions away from fossil fuels and towards renewable energy sources are often primarily technology focused in their conception and implementation, which is why this research explicitly followed a human centred approach to understand the social justice implications on the lives of individuals and group as well as localities

DESCRIPTION OF WORK CARRIED OUT DURING THE STSMS

The STSM’s objective was to support a collective research endeavor carried out by several European partners from the COST network. In order to understand who the “no one” is in energy transitions, other team members are conducting stakeholder interviews on EU, national, regional and local level, including policy makers, NGOs, industries, worker’s unions, environmentalists etc. in France, Germany, Romania, Poland and Finland. The purpose of my research stay in Finland was to conduct these interviews in Finland.

To ensure comparability between countries and cases, we were following a jointly designed interview guideline. In each country, we place our focus on the energy source that is most prominent in national

transition debates. In most cases that is coal; in Finland however peat as energy source is in the centre of national energy transition discussions.

The research is based on a mixed methods approach consisting of:

- guided expert interviews with relevant just transition stakeholders (approx. 15 in total)
- media report and policy document analysis on energy policies related to peat⁽¹⁾
- case study and/ or field trip

Expert interviews:

Alltogether, **12 expert interviews** have been conducted by the end of my STSM with various stakeholders. Given the time constraints of my interview partners, further interviews are organized for the following weeks in order to complete the sample. Thus, the goal of at least 15 interviews will be reached by the end of October 2021. Interview guidelines helped structure the interviews which took place online via video conference tools. Each interview lasted a length of 60-90 min. None of the interviewees objected to a recording of the interview, thus a transcription for detailed qualitative analysis is feasible in every case. Most interviewees were very responsive and happy to be involved in this project as finding an answer to the question of “who is no one” is decisive for their own (lobby) work.

Lobby groups, energy companies, peat producers, policy makers, regional development agencies, environmental NGO's, trade unions as well as researchers and intermediary actors are represented in the interview sample. This variety of stakeholders offers valuable insights and an enhanced understanding of conflicting and shared interests and needs at stake in this transition away from the use and production of peat as a domestic energy resource in Finland.

It was the goal to obtain answers regarding the interviewees' understanding of the concept of just transition and its vision in Finland. The interviews further explored social justice issues related to energy transitions following questions along the lines of distributional, recognitional and procedural justice (Where and for whom do injustices occur? Which of these people and places are acknowledged in policy making? Who is included in decision making processes? etc.). Thematic focal points were energy peat related policies, the recent impact of market mechanisms such as the ETS on the peat industry and its value chain as well as the implications of the peat industry's collapse on the livelihoods and futures of peat entrepreneurs.

An important part of the work progress was the **team workshop** held in Helsinki from 9th - 12th September where most members of the European research team were able to participate. We had very productive discussions, valuable insights from various countries on matters of just transition and inspiring new thoughts. All of which was tunneled into a revised interview guideline with a new focus on questions of procedural, distributional and recognitional justice. Also an outline for a joint scientific publication could be drafted already; analysis to be continued next year.

Case study and/or field trip:

Unlike coal production in Germany, France, Romania and Poland, the energy peat industry in Finland is much more fragmented. There are hundreds of smaller and bigger businesses and subcontractors involved in the extraction and production of energy peat instead of one big centralized employer. Unlike coal miners, most peat farmers are self-employed and carry their own financial risks. Identifying one case study in Finland was therefore not as straight forward which is why I decided to aim for a broad coverage of regions instead.

To still gain a sense of place, I organized a day trip to the Aitoneva Peat Museum, operated by VAPO Oy (now: NEOVA), which proved to be a valuable addition to my research as it allowed me to see the origins of energy peat production in Finland (first ever production site was in Aitoneva) and gain a better understanding of its impact on economies and identities. The local operational manager as well as one of NEOVA's social media representatives offered me a guided visit with thorough insights during our tour through the museum and its outdoor exhibition of old harvesting machinery into the early years of energy peat production in the 1940s and its development over the years.

Media report and policy document analysis on energy policies related to peat

As an additional data source, Senja Laasko and her Ph.D. student Essi Nuorivaara started to conduct a media report analysis of the public debate on energy peat as well as a complementary policy document analysis which will be continued in the beginning of next year. This analysis will contribute to a joint publication on the Finnish case in addition to the joint publication envisioned by the whole research team.

⁽¹⁾ mainly carried out by Senja Laasko as a Finnish native speaker

DESCRIPTION OF THE MAIN RESULTS OBTAINED

The main results obtained during the STSM can be listed as follow:

- **energy policies** in Finland have been **incoherent** over the past decades in respect to energy peat which led to a prolonged use of an environmentally harmful fossil fuel in energy production as well as a lack of long-term strategic plans regarding the phase out of peat
- instead of strategic policy making, **market mechanisms** such as the European Emission Trade System (ETS) led to a rapid collapse of the energy peat industry within the last two years: the production became unprofitable, contracts along the whole value chain amongst employers, workers, subcontractors, energy power plants, transport and logistics have been cancelled early, bankruptcies of smaller businesses, etc.
- the **organization of energy peat production** in Finland differs greatly from coal productions in other European countries in terms of space, employment structures and scope, resulting in an overall consensus that the transition plans designed by the EU (based on coal mining) are a mismatch in Finland where there are individual entrepreneurs for whom peat is often not the only source of income (side businesses such as road work, agriculture, ...) etc.
- the **Just Transition Fund (JTF)** proves to be more a hurdle than help in the process of transitioning; originally greeted with enthusiasm, its restrictions in use (only peat industry, no monetary reimbursement payments possible), unclarity of eligibility and delay in availability cause frustration (one Finnish region reported to be actually relieved to receive less of the JTF than anticipated due to the immense confusion surrounding the fund)
- **silos policy making** hinders the implementation of a just energy transition in Finland as the Ministry of Economic Affairs and Employment is solely mandated to lead the energy peat phase out; e.g. in form of a National Working Group Peat which overproportionally represents industry and lobby groups; this economic bias is aggravated by the fact that the Ministry is led by the Central Party which mainly represents rural interests and is known as opponent of peat phase out
- **social and ecological justice played off against each other** by stakeholders reluctant to the transition: peat lobby groups urge for a 'slow down' of the transition process to ensure the capacity to prepare and implement all necessary measures to ensure social justice and avoid resistance and opposition whilst at the same time from an environmental perspective there is no time to lose
- the question of *"who is no one"* as one of **recognitional justice** remains open; foremost peat entrepreneurs are named as those vulnerable in the transition as well as places and localities highly dependant on peat; yet this group of people is very heterogeneous in age, education, income etc.; there is also awareness for other sectors and groups that will be affected in consequence, but no one seems to have a clear picture yet
- matters of **distributional justice** are highly disputed: peat entrepreneurs claim monetary reimbursement for their investments and profit losses whilst workers unions demand long-term education and retraining plans (for workers and entrepreneurs) as just solution; also the negative outcomes of the transition are not distributed equally in space and potentially aggravate urban-rural tensions: rural regions are affected by loss of employment and identity, urban regions will be less affected by structural changes in the first place, but be impacted by energy price increases etc.; there seems to be little attention paid to global energy interdependencies and inequalities
- there are honest efforts to ensure **procedural justice** by including as many stakeholders as possible and allowing time to have everyone heard; however there remains a bit of a bias in stakeholder participation, not everyone willing is included; also the division of decision making power is in question since some regions demand more self-determination

FUTURE COLLABORATIONS (if applicable)

The research results will be published in a joint scientific publication of all researchers involved in the European project; analysis and writing to be continued in spring 2022.

Furthermore, an agreement has been found to publish an additional paper on the national Finnish case with those involved in it to pay justice to the depth of information drawn from this STSM's research results.