

Just Transition

An perspective from India's coal districts

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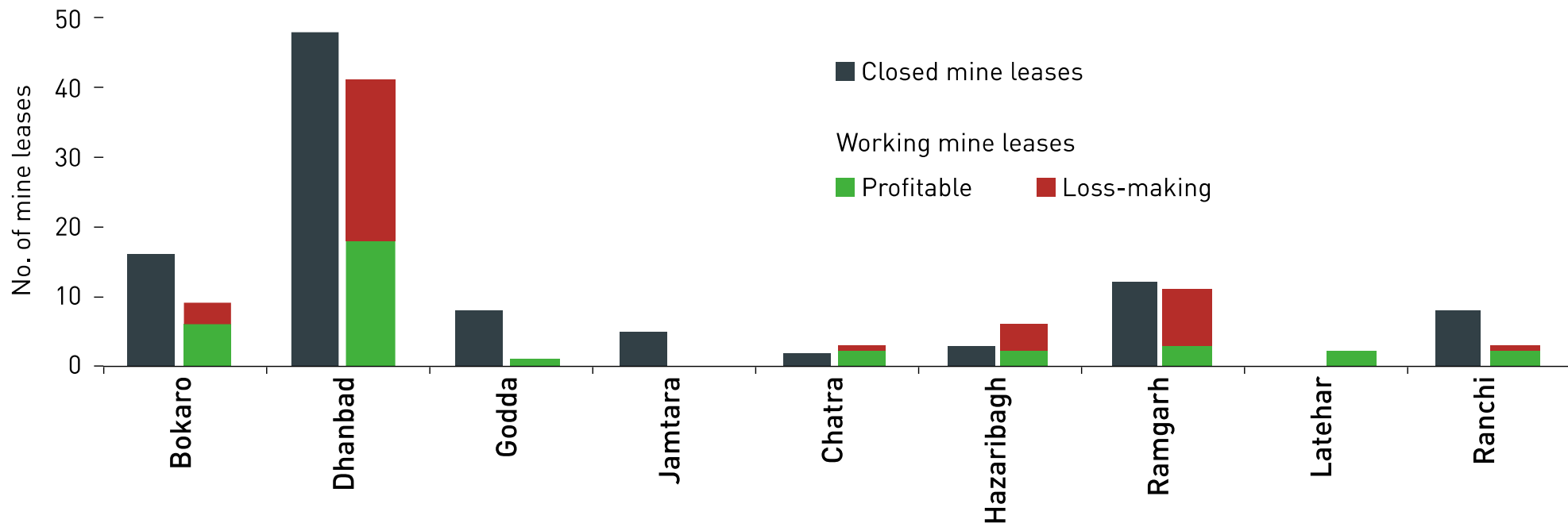
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New Delhi, India

Transition a reality at subnational levels

- While coal industry is overall profitable, **70%** of Coal India Limited (India's largest coal producer) mines are running into losses – both OC and UG.
- Over **50% of Jharkhand coal mines are closed** (temporarily or permanently) due to unprofitability besides other reasons.
- Unplanned closure has major implications for local economy and social stability.



Just Transition Issues

Concentrated nature and public revenue

- Coal industry, **particularly coal mining is highly concentrated**. Just **60 districts** in India account for 95% of coal and lignite production, 60% coal-based power capacity.
- **A major employment source in mono-industry coal districts-**
 - Korba (Chhattisgarh) mining and power hub- over 7% of population formally employed by coal mining and coal-based power.
 - In Jharkhand top coal districts- 5% of population formally employed.
- Coal mining revenue constitutes 5%-6% of state revenue in top coal states- Jharkhand, Chhattisgarh.
- District Mineral Foundation (DMF) funds a major share of non-tax revenue in states. Coal districts have USD 2.5 billion in DMF (accrual since 2015).

Just Transition Issues

Informal workforce & political economy of coal districts

- Formal employment about 0.75 million in coal mining. **Informal 2.4 times. No bargaining power.**
- Huge proportion of **subsistence economy in Eastern India's coal districts**, such as in Jharkhand.
- Major informality among **transport workers (trucks etc.)**.
- Majority earn about **USD 130-140/month**.
- Local politics around coal, investments by strongmen and political representatives.

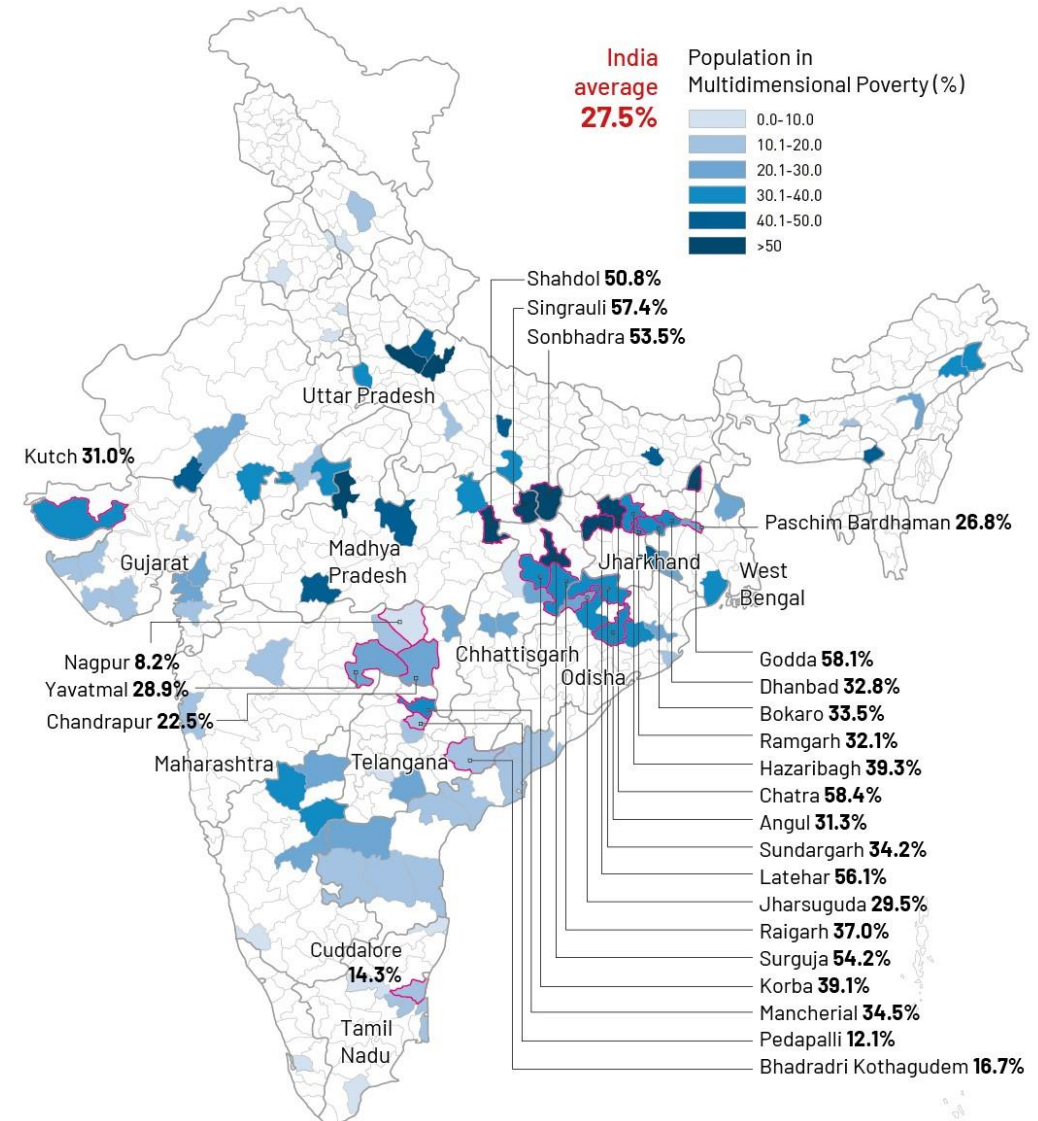


In Ramgarh, Jharkhand, nearly 60% of coal-dependent households belong to subsistence economy- coal gatherers and sellers

Just Transition Issues

Resource curse in coal regions

- Most districts saddled with poverty and underdevelopment.
- **50% population are multidimensionally poor** in many coal districts- poor healthcare, education, living standards.
- Poor social infrastructure, low income and lack of safety-net undermines adaptive capacity.



Key Considerations & Existing Opportunities

- **Broad-based socio-economic transition**, through **inclusive planning**. A **staggered approach** over next 3 decades.
- **DMF funds crucial resource to facilitate local level planning-** livelihood generation/diversification; social infrastructure investments are its key mandate.
- **Land reclamation and redevelopment-** opportunity to generate employment and attract low-carbon investments. **0.3 million hectare land area available with coal mining and coal-based power companies.** In some districts (Ramgarh), 10% of total land area.
- **Local resource potential** significant to develop sustainable livelihood through proper investments in irrigation, storage support, market linkages.
- **Conducive business environment;** coal mining and thermal power big-wigs investing in renewable energy; considering reskilling.

For information and resources

<https://iforest.global/ijtc/>

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