

Case study:

Just Transition in Russia's Coal Sector: The Case of Kuzbass

Dr Olga Ustyuzhantseva



1. Economic and Political Context of the Sector

The Kuzbass region is the heart of Russia's coal production, contributing over half of the country's coal output and exports. Despite coal's relatively small share in Russia's domestic energy mix (around 14%), it remains vital for foreign trade and the socioeconomic stability of single-industry towns in coal-mining regions. Around 133,000 people are employed in the Kuzbass coal sector, with many communities built entirely around mining operations.

Russia's overall strategy for the climate national climate strategy prioritizes economic stability and energy security over ambitious decarbonization. Key climate documents—the Climate Doctrine and Strategy for Socio-Economic Development with Low Greenhouse Gas Emissions—do not mandate coal phase-out. Instead, policies focus on energy

efficiency and absorption capacity (e.g., carbon sequestration via forests), while the state promotes coal production as crucial for energy sovereignty and economic independence.

2. Sectoral and Regional Challenges

Kuzbass faces severe environmental degradation—pollution levels exceed legal limits, with significant health impacts. Economically, the region is vulnerable due to a declining coal market, logistical challenges (high transport costs to Asian markets), and loss of subsidies. It also experiences demographic decline and a brain drain as younger people seek better living conditions elsewhere.

The war in Ukraine and Western sanctions have exacerbated economic instability, disrupted logistics, and triggered divestment from Russian fossil fuels.

This, in turn, has intensified the pressure on the coal sector to adapt, though without clear policy tools or financial incentives for decarbonization.

3. The Just Transition (JT) Initiative: Goals and Framing

Russia officially introduced the term "just energy transition" in 2024, largely as part of international discourse (e.g., BRICS and SCO forums). However, JT in Russia differs significantly from its international counterparts. It is framed not as coal phase-out but as energy security and technological neutrality¹, emphasizing independence and development rather than emissions reduction.

The state-sponsored narrative presents "justice" as protecting national interests against Western decarbonization agendas perceived as neocolonial. As such, the aim is not to exit coal but to diversify the Kuzbass economy while maintaining coal production.

4. Instruments and Demands

Policy tools under JT include infrastructure investments (e.g., railway expansion to Asia), economic diversification programs (e.g., "Clean Coal – Green Kuzbass"), and job creation outside the coal sector. However, these are designed more to protect the coal industry than to transition away from it. For example, the Clean Coal initiative promotes high-tech coal processing and export competitiveness rather than renewable alternatives.

Despite declared goals (e.g., 13,000–40,000 new jobs in non-coal sectors), regional indicators show decline across most economic sectors, indicating limited success.

5. Initiative Drivers and Actors

The JT narrative was introduced by the Federal Government, particularly the Ministry of Energy.

Regional governments, coal companies, and local authorities are key allies in this narrative, sharing vested interests in preserving coal. Trade unions, particularly Rosugleprof, have played an ambiguous role. Rather than mobilizing workers or advocating for environmental concerns, they align with employers and authorities, prioritizing negotiation over protest. They view themselves as mediators, not agents of political or climate agendas.

No independent union, NGO, or civil society actor has significantly influenced JT design. The broader depoliticization of trade unions and suppression of civil activism further limits grassroots influence.

6. Government and Public Funding

Public funding supports JT initiatives such as economic diversification and infrastructure upgrades. Programs like the Clean Coal strategy receive mixed funding from federal, regional, and private sources. However, environmental goals are vague, and many programs serve industrial innovation rather than decarbonization. No substantial funding is allocated for re-training or resettlement of coal workers.

7. Resistance and Implementation Barriers

There is no significant organized worker or civil society resistance—due in parts to apathy, fear of reprisals, and absence of effective collective representation. Shift work regimes and precarious employment patterns foster individualism and civil disengagement. Environmental protests have been suppressed, and unions avoid confrontation. Implementation challenges include:

- Declining competitiveness of Kuzbass coal due to logistics.
- Weak diversification capacity and outcomes (industrial decline across sectors).
- Erosion of worker identity and professional status.

¹ According to the Climate Doctrine of Russian Federation (2023), the principle of "technological neutrality" means that all available technologies should be used to limit emissions. These include geothermal, hydro, and nuclear power plants (nuclear energy being a traditionally strong sector in Russia), as well as measures aimed not at reducing emissions but at capturing and absorbing carbon. Technological neutrality is intended to place the latter on an equal footing with the former in the fight against climate change.

- Worsening environmental and public health conditions.

8. Outcomes: Jobs, Emissions, and Regional Trajectories

The JT as implemented in Kuzbass has not resulted in emissions reduction, new green industries, or broad-based employment regeneration. Job losses are not offset by high-quality alternatives. Existing initiatives, such as the Concept of Environmental Policy of

Kuzbass (2020), the program “Clean Coal – Green Kuzbass”, for example, entrench dependence on coal while promoting symbolic environmental modernization.

There is no evidence of regional economic regeneration; rather, Kuzbass faces socioeconomic stagnation and ecological crisis. Local populations accept pollution as a trade-off for economic survival, while climate policy remains abstract and disconnected from everyday concerns.

This project focuses on studying **Just Transitions** by comparing concepts, policies, and strategies across 14 diverse countries to ensure a **socially just shift towards decarbonisation**. It aims to develop recommendations for climate-friendly structural changes that protect workers and vulnerable groups. The project is funded by the Hans Böckler Foundation – Just Transition: Aktivitäten im internationalen Vergleich 2021-582-2.

September 2025

Author: Dr Olga Ustyuzhantseva

Find out more

Visit the website (<https://justtransition.leeds.ac.uk>) for further information about this project, including full case study reports, podcast episodes, and articles.

