

**A Just Transition and Workers' Rights – A Trade Unions’ View**

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An Executive Summary

This research is written by Synergy Policies to represent the views of the Labor Committee for Just Transition in Indonesia, an association of 7 confederations and 20 federations of Indonesian trade unions. It explores the impact of the energy transition on workers, particularly those employed in fossil fuel industries such as coal mining and coal-based power plants. It aims to ensure that the energy transition in Indonesia, driven by global climate change commitments, is just and equitable, protecting the rights and livelihoods of affected workers.

**Background**  
Indonesia is undergoing a significant shift towards sustainable energy as part of its commitment to reduce greenhouse gas (GHG) emissions by 29% by 2030, with an ambitious long-term goal of achieving net-zero emissions by 2060. This transition is supported by international initiatives, particularly the Just Energy Transition Partnership (JETP), which was launched in 2022 during the G20 conference in Bali. The JETP guides Indonesia with a strategic framework to reduce GHG emissions while promoting economic growth and energy security. The Comprehensive Investment and Policy Plan (CIPP), an important document within JETP, which is not only legally binding but has the influence to direct planning and policymaking of the electricity sector. PLN, the state-owned electricity company, is responsible for most of the generation, transmission and distribution of electricity in Indonesia. Now PLH is tasked to include the building of new renewable energy plans, reduce coal dependence, modernising the grid, and implementing energy efficiency throughout its operations.

As the country moves towards this sustainable energy future, it faces both challenges and opportunities, especially for its workforce. The Just Transition paradigm is the basis for involving trade unions in negotiating the legal formal basis of the energy transition. At this point the Labor Committee has met with government stakeholders, parliamentarians, ILO, NGOs, the employers’ association and chamber of commerce but they struggle to formulate policy recommendations.

**Methodology**

To assist the Labour Committee, Synergy Policies utilises a qualitative research approach to examine the Just Energy Transition Partnership (JETP) in Indonesia and its implications for the energy transition, focusing particularly on the socio-economic impacts on workers. The research begins with a comprehensive analysis of key policy documents related to the JETP and Indonesia’s Comprehensive Investment and Policy Plan (CIPP). This includes reviewing government reports, the Nationally Determined Contributions (NDCs) under the Paris Agreement, and relevant legal frameworks governing energy and labour.

A literature review was conducted to gather insights from existing academic and policy-related literature on just transitions, socio-economic impacts of energy transitions, and the role of trade unions in shaping policy. Then, a thematic analysis is employed to analyse the qualitative data and categorise the findings into relevant themes, such as worker displacement, governance challenges, funding needs, and the role of social dialogue. This systematic approach allows for a nuanced understanding of the complexities involved in the JETP and its potential impacts on various stakeholders.

**Key Issues Identified:**

1. **Labour Unions’ Role**: Labour unions in Indonesia have long advocated for environmental protection and workers' rights. They stress that the energy transition must be fair and must protect jobs, livelihoods, and workers' rights in affected industries. Access to electricity is a human right, thus access to electricity needs to be universal.
2. **Impact on Workers**: The transition away from coal and other fossil fuels will likely result in the loss of many jobs. By 2035, coal mining and coal-based power generation could see a reduction of over 11 million jobs. Workers over 40 would be at high risk as well as over 130,000 casual workers in PLN. This is just a glimpse of risk to the livelihood of many workers, particularly those with specialised skills in fossil fuel industries.
3. **Social and Economic Protections**: The research highlights the need for strong social protections, including job retraining programs, unemployment benefits, and financial support for displaced workers. The current public financing structure under JETP, although mobilising $20 billion over the next few years, may not be sufficient to fully mitigate the economic impacts on affected workers.
4. **Inclusion and Social Dialogue**: Effective dialogue between the government, labor unions, and businesses is essential to ensure a smooth transition. A key concern is the potential exclusion of certain worker groups, particularly contract and temporary workers, who are among the most vulnerable.
5. **Gender Inequality**: Women, who often occupy lower-paying and less secure jobs in the energy sector, are disproportionately affected by the transition. The research emphasises the need for gender-sensitive policies that protect and promote women’s participation in the renewable energy workforce.

**Policy Recommendations**:

* Comprehensive legal frameworks should be established to ensure that workers' rights are protected during the transition. A national mapping on the impacts of JETP to workers is urgently needed.
* Special focus should be placed on retraining and reskilling programs to enable workers from traditional energy sectors to transition into renewable energy jobs.
* Dialogue between labour unions, employers, and the government should be strengthened to ensure transparency and fairness in the transition process.
* Increased funding is necessary to support displaced workers, especially in the form of grants rather than loans, to avoid burdening the country with additional debt.

**Conclusion**  
While the energy transition offers long-term benefits for Indonesia's environmental and economic sustainability, it must be managed carefully to prevent widespread social and economic disruption. Labour unions play a critical role in advocating for a just transition that includes protections for all workers, particularly those most vulnerable to job losses. Ensuring equitable access to retraining and new employment opportunities, along with robust social protections, is essential for achieving a fair and just transition.

Recommended follow-up from Synergy Policies:

* research on the impacts of Just Transition to casual workers at PLN.
* employment models for workers in independent community power generators.