

THE FUTURE OF A JUST TRANSITION IN UKRAINE: PERCEPTIONS IN COAL MINING TOWNS

A report on the results of a survey of coal
mining town residents in the Donetsk Region

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For the local population to accept future changes, it is essential to engage on local and regional levels right from the start of planning the transition



The opening of new innovative enterprises, the development of small and medium-sized businesses will create new jobs and prevent the emergence of a new mono-industry. Dependence on a single economic mainstay must be left in the past



The interests and opinions of former miners should be taken into account when designing retraining programmes. At the same time, it is necessary to take the fundamental step of reprofiling higher and vocational educational institutions, which are located in mining communities, and graduate mining professionals.

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Contents

	INTRODUCTION	5
1.	PURPOSE OF THE SURVEY	7
2.	SURVEY METHODOLOGY	9
3.	FOCUS GROUP RESULTS	11
3.1	The current situation in the oblast.....	11
3.2	The prospect of coal mine closures: Reactions and expectations....	16
4.	CONCLUSIONS	23
4.1	Problems facing urban areas	23
4.2	The state of mines and employment prospects	23
4.3	Local expectations.....	24
5.	RECOMMENDATIONS	25



INTRODUCTION

Ukraine's Cabinet of Ministers plans to close the country's unprofitable coal enterprises. In the next few years, the process will accelerate, as Ukraine joined efforts to fight climate change when it ratified the Paris Agreement in 2016¹. To contain global warming to 1.5–2 °C, as required by scientists, the country plans to completely phase out fossil fuels in the next 2030 years.

On one hand, this is a fairly ambitious goal for the domestic energy sector, as over 30% of the country's power is generated using coal combustion².

On the other, according to the former Ministry of Energy and Coal Mining, Ukraine has closed down 68 state-owned mining enterprises since 2004, with another 19 state-owned mines are either being closed or prepared for shut-down. Currently, 29 of 33 state-owned mines are unprofitable and are only staying afloat thanks to multimillion-dollar annual subsidies from the state budget³.

The country has been slowly winding down the coal industry since becoming independent. Indeed, the number of employees in the industry has plunged from almost one million in 1991 to fewer than 40,000 in 2020. The key question is how this process has been undertaken.

Ukraine's closure of coal mines appears to have been done without proper planning for socio-economic development in the affected oblasts, with broadly negative consequences. Local governments and the residents of mining towns were not consulted when the process of mine closures began. In most cases, such mono-industry towns naturally went into economic decline while their residents migrated to other towns and oblasts.

¹ The Paris Agreement was adopted on December 12, 2015, but signed in 2016. References sometimes mention either year.

² Ministry of Energy, 2020. Information about the operation of the power industry: <http://mpe.kmu.gov.ua/minugol/control/uk/publish/officialcategory?cat_id=245183225>.

³ Z. Vondrova et al., 2019, Transformation Experiences of Coal Regions: Recommendations for Ukraine (executive summary). <<https://en.ecoaction.org.ua/transformation-experiences-of-coal-regions.html>>

Ukraine is not the first country in the world needing to close down its coal industry. International experience shows that only constructive dialogue between central governments, local governments and local populations in coal mining regions can ensure the successful shut-down of local economic mainstays. All stakeholders need to sit down at the negotiating table to address the transformation of coal regions, attract investment to establish new, environmentally friendly industries, promote employment and retrain staff.

This approach is called a just transition: a model of regional development that provides decent life and fair earnings for all employees and communities affected by the process of fossil fuel phase-outs.

The issue of a just transition has appeared on the Ukrainian government's agenda over the past few years.

At the national level, the Cabinet of Ministers set up the Coordination Centre for the Transformation of Coal Regions in May 2020. The centre involves government officials, oblast state administrators, MPs, coal mining company officials, trade unions, and local government associations. Among their main responsibilities, the centre are supposed to analyse the real state of the economy and social security in coal mining towns, and find new directions for local economies to develop and generate jobs. Plans are to develop a State Programme for the Transformation of the Coal Regions of Ukraine.

In May 2019, six mining towns Donetsk Oblast — Vuhledar, Dobropillya, Pokrovsk, Myrnohrad, Novohrodivka, and Selydove—, the Donetsk Chamber of Commerce and Industry, and three local NGOs joined forces at the oblast level to put together a Platform for the Sustainable Development of Coal Towns. The main goal is to come up with alternative ways to develop these towns by diversifying the local economy and implementing joint innovation projects. A seventh town, Toretsk, joined the Platform in March 2020.

Coal mining regions cannot undergo a just transition without the involvement of the local population and consideration of its opinions and wishes. In order for



Photo: Niels Ackermann/Lundi13

people in the region to be heard during the processes that have been initiated, the Friedrich Ebert Foundation Ukraine and the Ecoaction Centre for Environmental Initiatives jointly commissioned a sociological study entitled "The Future of a Just Transition in Ukraine: Perceptions in Coal Mining Towns."

The results presented in this report reflect the sentiments of the local population. The conclusions are based on the results of focus group discussions in seven mining towns in Donetsk Oblast: Dobropillya, Myrnohrad, Novohrodivka, Pokrovsk, Vuhledar, Selydove, and Toretsk.

1

PURPOSE OF THE SURVEY

The purpose of the survey is to analyse how residents in seven coal mining towns in Donetsk Oblast — Dobropillya, Myrnohrad, Novohrodivka, Pokrovs'k, Selydove, and Vuhledar,

and Toretsk — view the development of their region and of their own towns in the face of upcoming mine closures.





2

SURVEY METHODOLOGY

The survey was carried out in July and August 2020 using focus groups of residents from the towns of Dobropillya, Myrnohrad, Novohrodivka, Pokrovsk, Vuhledar, Selydove, and Toretsk. Focus group participants included men and

women aged 18 to 60, with eight respondents per session. Session lasted an average of two hours. A total of seven focus groups, one per town, were held.

Gender



50%

Women



50%

Men

Age



18-30

years old



31-45

years old



46-60

years old



60

years old



120 minutes

duration of every focus-group discussion



8 persons

took part in every focus-group discussion



3

FOCUS GROUP RESULTS

3.1 THE CURRENT SITUATION IN THE OBLAST

SITUATIONAL ASSESSMENT

Respondents noted widespread feelings of depression, insecurity and fear of the future among local residents. They described the situation in Selydove, Toretsk and Novohrodivka in very dark terms.

Positive assessments were rare and usually concerned positive improvements in urban infrastructure and landscaping: road repairs, lighting installed in city centres, park renovations, fountain installations, and the construction of new playgrounds and sports grounds. Based on the focus group discussions, the most visible positive trends were observed in Pokrovsk and Vuhledar.

All the participating local residents had strong associations with the notion of a "coal mining town:" the mine was seen as the hallmark of their town, without which it was inconceivable.

”

"It's a mining town. There's a miner in every family, sometimes more than one. We even have mining dynasties. This town began as a mine."⁴

Woman, 45, Vuhledar

PUBLIC INTEREST IN SOCIO-POLITICAL CHANGES

Most respondents indicated interest in socio-political developments in their town. At the same time, they admitted that they followed the news and local initiatives fairly passively. Most often, they heard the news about city developments from family members and friends or online, generally in social media and less often on their town's website.

At the same time, respondents were quite well informed about socio-political changes in their towns. The towns are small, so most changes, initiatives and projects being implemented are visible to local residents and are discussed within their close circle, especially by senior respondents.

Typically, most respondents expected socio-political transformations. The demand for change covered all areas of the town's functioning.

Most associated the implementation of socio-political transformations in their town with the political will and efforts of local governments and their mayor. Indeed, respondents believed that the main and most noticeable improvements in all the towns were initiated by incumbent⁵ authorities.

At the same time, respondents considered all the changes happening in their towns to be slow, superficial, partial and incomplete.



Photo: freepik.com

⁴ Respondent quotes have not been edited.

⁵ The survey was carried out in September 2020

SIX KEY SORE SPOTS:



economic problems (mono-industry, layoffs);



quality of healthcare services;



quality of housing and utility services;



urban infrastructure (roads, transport, cultural institutions and recreation sites);



environmental issues;



education and retraining.

THE MAIN PROBLEMS FACING MINING TOWNS

The study has shown that all areas of the town's life are seen as problematic by locals. Residents feel very concerned about these problems and want action to be taken to resolve them. This is particularly the case with economic and health issues.

ECONOMIC WOES

” We're in a void... We feel exposed and we have no enterprises. There is a single bakery that generates money for the budget, but not a single mine. All the town's mines are closed. We're hanging on by a thread. There's nothing here. They're going to close down the bakery now and there will be zero.”

Woman, 52, Selydove

” The municipal budget depends mostly on our mines.”

Woman, 31, Myrnohrad

A wide range of economic problems adversely affects all areas of life, the town's development, and the quality of its residents' lives. These issues generated the most emotional discussion among focus group participants.

Discussing this problem at the general level, respondents noted that the decline or closure of the main enterprise had a negative impact on the local economy, primarily due to insufficient revenues for the local budget. Production has been cut back and other enterprises in the region were also closing down. In addition, respondents noted unfavourable conditions for the successful development of SMEs, as well as the low level of local involvement in this type of employment.

Analysing the problem at the population level, respondents noted that economic problems were the main cause of depressed sentiments and concerns about the future. Moreover, they often complained about the quality of life. Focus group participants also mentioned three specific negative factors:

- uncompetitive wages at the main enterprise;
- significant delays in the payment of wages, causing economic hardships for some miners;
- employment problems that were particularly bad for young people and women, difficulty finding work in the person's professional field, and so on.

According to respondents, being a mono-industry town was one of the key components of economic decline. Most saw it as a disadvantage as it made the town budget and local welfare too dependent on the performance of a single enterprise, and limited the opportunities for professional development, which is very important for young people. Most often respondents mentioned three negative aspects:

- the dependence of development on a single enterprise and its continuing successful operation, affecting their confidence in the future;
- a lack of choice of professions and jobs: bring a miner has been losing prestige and is of no interest to some young people;
- working hard at an enterprise with an uncompetitive salary that is also often delayed.

Positive associations with the town's mono-industry are mostly related to the lack of broader opportunities locally:

- the enterprise is the main source of stable revenues for the municipal budget, provided that it is not subsidised, and of jobs for the residents;
- in some cases, the enterprise matches the specialization of the town's working-age population, fostering its professional fulfilment.

INADEQUATE HEALTHCARE SERVICES

” My elder child had an appendectomy. We used to have four surgeons in the town. Now there are only two who are very old and have poor eyesight.”

Woman, 51, Toretsk

” “Men who work in mines constitute 90% of the population here. They have spinal problems. They have lung problems.”

Man, 34, Novohrodivka

” “Many miners and pensioners are entitled to health benefits. They have occupational diseases, they're always sick, they go to hospitals whose staff has been laid off. There are no doctors.”

Man, 51, Toretsk

A significant concern for all respondents was access to and the quality of healthcare services. It was particularly critical for the senior target audience, which ranked it as the town's worst problem.

Respondents usually mentioned three main healthcare problems:

- 1) hospital closures and layoffs;
- 2) shortage of skilled professionals and subspecialists;
- 3) the closure of paediatric units and loss of paediatricians.

Respondents also noted that work in heavy industry was bad for employee health, leading to on-the-job injuries and work-related diseases. Moreover, they did not have satisfactory access to medical services, either.

DILAPIDATED HOUSING AND LOW-GRADE UTILITY SERVICES

” “I can give you an example of more than one street, as each and every (!) district in our town has for decades had at least one street that has a stench and has a broken sewage pipe. I have no idea how people live there at all. You can't even open a window there in the summer.”

Man, 41, Toretsk

Respondents complained about the low quality of housing and utility services in their towns as one of the most burning issues. Their complaints mostly concerned:

- water supply: water is available only at certain hours, the facilities are in dilapidated condition and often fail, the quality of the water is unsatisfactory, dirty;
- power supply: electricity is unstable and regularly goes off entirely due to malfunctions;
- heating: the supply does not meet temperature standards in winter and in some areas, it is entirely unavailable, so coal has to be used instead.

Other housing and utility problems mentioned included worn-out housing stock, lack of elevators, new housing not being built, and high rates for poor quality services.

The most pressing housing and utility problems were in Novohrodivka, Dobropillya and Selydove, which have no central heating or gas, so residents burn coal, which is generally of poor quality. Problems with garbage removal, such as insufficient special equipment, were mentioned, too.

INFRASTRUCTURE PROBLEMS

” “We also have a problem when they start delivering coal. We have roads there, but those are big lorries, and so when they start delivering coal to people — and not only them — they certainly damage our roads.”

Woman, 31, Myrnohrad

” “They have no options, no opportunity and no places to relax. The city has very limited options for vacations.”

Woman, 52, Selydove

” “Having opportunities for exciting recreational activities or a place to go helps put you in a good mood. Not just visiting yet another watering hole that has just opened up, but something new.”

Man, 29, Dobropillya

Respondents noted positive trends and developments in addressing infrastructure problems in all the towns surveyed, mainly thanks to local government initiatives. However, these were perceived as being at early stages, while actual changes were superficial. They highlighted the need to continue projects to upgrade and improve infrastructure, because such problems not only caused inconvenience but also reflected the town's development and affected the general mood in the town.

Pokrovsk and Vuhledar residents were more inclined to give positive assessments. In particular, they noted:

- renovating and landscaping of the city centre: road repairs, installing green zones, restoring street lighting, installing fountains and monuments, reconstructing parks and stadiums;
- building playgrounds and sports grounds.

Respondents from Selydove and Vuhledar also mentioned the development of sports infrastructure in their towns.

Still, negative feedback about infrastructure is more common, including:

- no place for cultural recreation and leisure, which are especially relevant for young people, as the towns lack cinemas and entertainment centres;
- badly damaged roads and no lighting outside the city centre;
- poor scheduling of public transport, as obsolete rolling stock needs to be modernized;
- lack of bicycle trails.

ENVIRONMENTAL DAMAGE

” “In winter, you open the window and the windowsill is black with soot. The heating does it.”
Man, 39, Dobropillya

” “They also pump water out of mines. This means that many cubic metres are simply poured into some ravine, into a river, doesn't matter where. There are no filtering stations at all.”
Man, 26, Novohrodivka

” “There's only one thing they do – they cut down forest and trade in firewood.”
Man, 46, Vuhledar

Respondents noted the adverse impact of mines on the environment, leading to pollution and affecting local people's health. However, these problems were less significant to locals and were considered secondary for now.

These issues can be divided into three main groups:

- 1) problems associated with mining: air and water pollution, slagheaps within the city, increased background radiation, violations of safety standards when flooding mines, and the closure of mines;
- 2) coal heating, which led to dangerous emissions in the air;
- 3) other industrial enterprises, such as meat processing, pig farms, and so on, whose operations affect the environment and pollute nature with waste. Their intense odour spreads to nearby towns.



Photo: Niels Ackermann/Lundi13

INADEQUATE PUBLIC EDUCATION AND RETRAINING OPPORTUNITIES

” “Here, on the Donbas ridge, all generations... two or three generations are all miners. There is a mentality here: a person grows up and is brought up, a man is brought up with the understanding that if he does not escape, he will become a miner. He's being brought up in a family of miners, he knows everything about the mine without even going underground. Ask any 17-year-old what a shaft or a mine road is, they will tell you.”
Man, 34, Novohrodivka

” “We hardly have any training in the town, except for nails and eyebrows.”
Woman, 23, Dobropillya

” “We don't have any post-secondary institutions in our town. There's a vocational school that teaches miners too. So you go to another town for that same extramural programme but it's expensive.”
Man, 25, Myrnohrad

Education and retraining are a very current issue, for working-age people, especially the young. They are interested in learning a profession that will be in demand in the labour market and will provide tools for personal fulfilment.

Two main education-related problems were mentioned by respondents:

- In most towns, there aren't enough educational institutions to meet public demand. Typically, they have public schools and a vocational college, formerly called technikums. This leads to a significant emigration of young people from these towns.
- According to respondents, some schools have been closed, either for long-term capital repairs or permanently, as a result of which pupils have to study in two shifts.

The only town that does not have education issues is Pokrovs'k. After Donetsk National Technical University was transferred here, the town turned into an educational hub to which young people flock from other places. Pokrovs'k also has a teachers' college.

The key issues related to retraining are:

- insufficient public awareness of schools offering continuing education, unless an individual contacts the Employment Centre;
- the form and method of retraining, as it typically takes place is twofold:
 - retraining on the job while mastering new functions;
 - cosmetics courses: manicure, pedicure, and hairdressing.

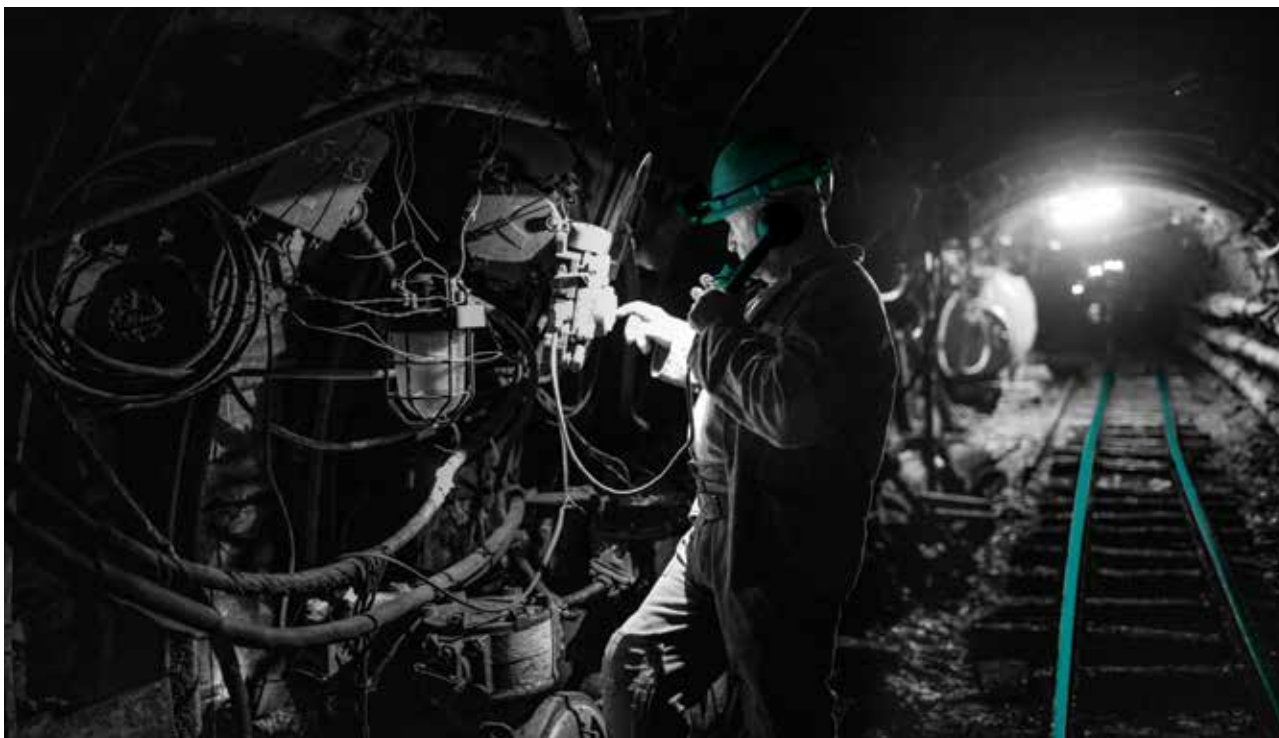


Photo: Niels Ackermann/Lundi13

- the option of online training for advanced qualification in quarantine conditions was mentioned less often by respondents.

WHAT EFFORTS THE GOVERNMENT HAS MADE TO TACKLE THE PROBLEMS

Focus group participants⁶ often assessed the efforts of previous and current local governments as invisible or insufficient to overcome most of their town's problems.

Solutions to the town's pressing problems need to be comprehensive and that means local authorities must actively cooperate with the central government, as well as developing a strategy for cooperation with various ministries: energy, health, education, and so on. Some respondents emphasized the need to involve international foundations and investors to support important initiatives.

According to respondents, local authorities both in the past and now, tended to ignore most urban problems. Respondents often were unable to name any successful initiatives that addressed pressing issues.

Nevertheless, given that this area is entirely within the competence of local authorities, the majority of respondents mentioned the steps taken by the current authorities and the mayor to improve infrastructure, such as improving the town centre only for now, landscaping common areas

between apartment buildings, reconstructing cultural and sports facilities, and so on.

Most respondents expected local authorities to initiate dialogue with the country's top leadership regarding support for mining operations.

WHAT EFFORTS NGOS, TRADE UNIONS AND ACTIVE CITIZENS HAVE MADE

Respondents typically did not associate solving the town's pressing problems with the activities of non-government organisations, activists or trade unions, except for the miners' trade unions that actively defend coal miners' rights, organise rallies, and so on. On separate occasions, focus group participants shared their expectations of NGOs and active citizens, such as initiatives to attract investors to, for instance, complete the construction of unfinished facilities.

However, most respondents are actually unfamiliar with NGO activities in their towns. In individual cases, they mentioned programmes run by international organisations like UNDP, the IOM, and USAID, in support of training for locals on how to start a business and communicate with government officials. Respondents were generally unaware of the nature and content of such programmes, and their knowledge about initiatives tended to be superficial.

Trade unions were mostly seen as "dependent" on company management and local authorities, so they did not have the leverage to influence developments, or to protect the interests of the citizens, the town and so on.

⁶ The survey was carried out in September 2020.



Photo: Niels Ackermann/Lundi13

Activist efforts were more likely to be associated with volunteering: voluntary Saturday clean-ups of common areas, cultural and recreation events, environmental initiatives, and campaigns to sterilize stray animals.

Профспілки здебільшого оцінюються як «залежні» від керівництва компаній і міської влади, тому не мають важелів впливу на події та не захищають інтереси громадян, міста тощо.

THE DEVELOPMENT OF SMES AND INNOVATIVE ENTERPRISES

Respondents appeared unaware of any initiatives to open innovative enterprises in their region. They only noted progress in areas such as trade, services and catering. Nevertheless, respondents did say they were interested in seeing large innovative enterprises being launched. Female respondents, audience, especially in Vuhledar, believed that start-ups needed take into account women's demand for jobs and self-fulfilment. Focus group participants specifically mentioned garment and porcelain factories.

According to respondents, certain activity was evident in small businesses involved in retail and services such as cosmetology, car repairs, taxis, security, construction and renovations, as well as in the food catering industry. The

activities of medium-sized businesses such as meat processing plants, furniture factories, and waste recycling plants were rarely mentioned. However, these enterprises could not fully provide everybody with jobs. They mainly offered vacancies that were of little interest to most respondents, as they involved hard, dirty work and low wages. Respondents singled out an initiative to open a centre for innovative ideas in Pokrovsk to support projects carried out by different groups of the population.

3.2 THE PROSPECT OF COAL MINE CLOSURES: REACTIONS AND EXPECTATIONS

THE CURRENT CONDITION OF LOCAL MINES

Most respondents described the current condition of mines as difficult, with enterprises in decline, unprofitable, burdened by debts, and gradually cutting back operations. Respondents noted that mines were not working at full capacity and were losing money. The trend seemed to be to exhaust resources as much as possible. The industry's prestige and interest in developing existing enterprises had taken a nosedive, while enterprise facilities were in unsatisfactory condition. Respondents saw an urgent need to completely update/modernise facilities, mining equipment, and so on, and the need to invest in mines.

At the same time, respondents noted that private mines in the region were operating successfully and debt-free, using high-quality foreign equipment and offering stable, decent wages. These mines were developing and making serious profits, because their products were in demand on the market.

PERCEPTION OF THE IDEA OF POSSIBLE MINE CLOSURES

“If the mines are shut down, there will be an exclusion zone.”

Man, 41, Vuhledar

Respondents saw mine closures as a very real option, as some mines have already been shut down in the oblast, giving local residents real cause for concern. Reactions to mine closures were ambiguous:

- focus group participants agreed that enterprises needed to be closed if they were operating at loss;
- the issue of closures was sensitive for respondents: some respondents thought that, if modernised, many enterprises would be able to return to high production rates, be competitive and bring money to the regional budget.

Clearly, respondents did not see mine closures as a pathway to regional development. Local residents preferred to see the industry revived. Some respondents said that they had heard about the central government's plans to close down mines in the region and altogether phase out coal as an energy source.

Locals complained about the government's lack of interest in the development of the industry, pointing out that mines did not get sufficient attention and this made them unprofitable. This, in turn, was going to push mono-industry towns in Donetsk into decline.

WHAT RESIDENTS KNOW ABOUT EUROPEAN PRACTICE IN MINE CLOSURES

Discussion results revealed a poor level of awareness of European practice in mine closures and social support.

Individual respondents showed some knowledge of mine closure trends in Europe, primarily mentioning the examples of Germany and England. But this knowledge was not deep because the respondents had not delved deeply into the topic or analyse the situation abroad.

“We did not look into the closure of mines in other countries. We had no real interest.”

Woman, 28, Pokrovsk)

Most respondents were unaware of EU programmes aimed at providing social support for residents of mining towns as part of a just transition. Only a few respondents knew that mines had been repurposed in many cases and that miners were provided with jobs or compensation. This procedure is considered acceptable and just because workers' rights are protected and their future is guaranteed.

“Gradually, other companies opened in these cities. First, they were launched, recruited staff and then the mines were gradually shut down. When they started construction, they began to involve locals in this and paid good unemployment benefits.”

Man, 26, Novohrodivka

However, there was little confidence in the implementation of this kind of strategy in Ukraine, with respondents generally saying it was “unrealistic in our conditions.”

PUBLIC REACTION TO GOVERNMENT INITIATIVES TO CLOSE DOWN MINES

The spontaneous reaction of the majority of respondents to the idea of gradual mine closures, meaning over the course of 30 years, was typically emotional and negative because mine jobs were their main source of income. Only a few respondents believed that during such a gradual closure of mines they would be able to find alternative jobs and undertake professional retraining.



Photo: freepik.com

Some of the spontaneously expressed concerns were:

- the labour market suddenly flooded with a lot of individuals in mining-related professions;
- the risk that projects to open alternative businesses will be frozen for lack of funds, distribution markets, and so on;
- the difficulty of organising retraining for former miners under the current circumstances.

Respondents believed that the government's initiative to gradually close down mines would lead to mass protests and stimulate emigration. Respondents did not believe that the public would take the news on mine closures lightly, possibly leading to unrest and demonstrations. Miners would probably travel to Kyiv to defend their interests. Respondents saw leaving their towns for other regions or countries as a rational solution in the situation. Older people were particularly vulnerable to mine closures as they would find it difficult to adapt to change, were less flexible and had fewer real prospects on the labour market.

KEY STEPS IN PREPARING FOR THE CLOSURE OF MINES

State and local authorities were expected to take a series of steps in connection with their mine closure plans:

- ensure alternative jobs for mine workers, including by developing other industries in the region, and provide guarantees;
- support SMEs;
- offer preferences to investors prepared to repurpose mines;
- promptly organise free on-the-job retraining for workers so that they would not need to study in another location or oblast, while taking into account the needs of different age groups:

” You stand at the work bench with your teacher for two or three months and now you're a turner. You go and work. Or take a welder. You study for two or three months, take a mask, hold an electrode and a holder and you're already working on your own.”
 Man, 58, Toretsk

- ensure that wages are not lower than those currently paid at the mines;
- support and develop the town's other industries.

Since respondents saw state and local authorities as the main stakeholders in the change process, they found it difficult to imagine what public initiatives might be successful and effective enough to change the situation in the town for the better, if the mines were closed. Basically, locals were not prepared to be active in this respect, quoting the lack of leverage and competence. They could not imagine themselves not working in mines.

ORGANISING THE MINE CLOSURE PROCESS

Respondents stated that mine closures and re-orienting their town to other industries were long-term processes that needed to be transparent, based on an agreed strategy, and implemented in close cooperation with the local community.

In order to make sure that mine closures were as painless as possible, respondents considered it necessary to:



Establish close communication and cooperation between government officials and the community

setting up a working group that would include representatives of miners, that is, people who knew the situation from within;



Inform the public about the mine closure strategy

which would be detailed and clear, and explain the need for such radical changes;



Set up and develop enterprises that would provide employment after the mines

were shut down, involve former miners in construction work, and help towns move from being "one-trick ponies" to more diverse industries;



Introduce changes gradually,

for example, to close some sections of mines while offering other employment to laid-off workers;



Provide the public with social nets

especially those close to retirement age by, say, giving them a chance to work until they were eligible to retire or encouraging early retirement without penalty.

Confidence in the government and its promises was very low among the respondents.

” Dialogue will not help. No one will listen to us.”
 Woman, 52, Selydove

Respondents believed that if international organisations were involved and supervised the process, public confidence might improve considerably.



Photo: Niels Ackermann/Lundi13

EMPLOYMENT OPTIONS AND SOCIAL NETS

During the discussion of where the working-age population might be employed after the closure of a mine, respondents emphasized the limited nature of employment opportunities in the oblast. Respondents expected specialists to be looking for jobs with private mines in the oblast or abroad. The rest would have to try to use their skills in areas such as repair services or construction: welding, metal or wood processing, and power generation. Young people were considering freelance and outsourcing options. Interest in starting their own business was very low among respondents. One possible reason might have been the low levels of disposable income among local households.

In addition, focus group participants noted that retraining was a psychologically difficult task.

The first reaction to the possibility of mine closures was fear of mass emigration. Respondents rated this risk as extremely high. First of all, they meant domestic migration to larger cities with more job opportunities. This was especially true for young people, as many in this category were already considering leaving their towns, so the news of a mine closure would significantly firm up this intention.

A number of steps could prevent the migration of locals, especially young people, from the oblast:

- generating jobs, opportunities for self-fulfilment and competitive salaries;
- urban development, meaning infrastructure, recreation places, affordable housing, and so on. Improvements also needed to be visible.

- ensure the participation of young people in development processes, that is, provide them with opportunities to implement projects of their own initiative.

Respondents did mention various employment or assistance opportunities after mines close down.

1. Contact the Employment Centre:

- When they are laid off, people can contact the local Employment Centre. Respondents did not consider this an option for successful employment as this institution offers jobs and retraining that are unsatisfactory. Often vacancies are poorly paid and courses are under par, and are thus seen as a step backwards.

Respondents also mentioned negative experiences with Employment Centres, especially red tape, having to regularly update their status, and minimal unemployment benefits.

- Respondents were aware of support for small businesses, such as reviews of business plans and the allocation of funds for their implementation. This opportunity was of little interest to most respondents, as they were more focused on working for a company.
- Opinions about retraining courses were that the proposed choice of specialities seemed unpromising.
- People were more likely to look for work on their own, more often through acquaintances or online.

2. Social programmes to support the unemployed:

- Most respondents were unaware of social support programmes for those who had lost their jobs.



Photo: depositphotos.com

- Respondents rarely mentioned the possibility of receiving unemployment benefits from the Employment Centre.
- In individual cases, respondents mentioned projects and workshops offered by international organisations such as support to start a business from IOM.

3. Employment in another profession:

- This was popular enough, but participants often did not consider this step promising and tried to do it mostly as a last resort when they were desperate to make some money.
- Women mostly retrained to work in cosmetology, restaurants or retail sales, while men mostly switched to repairs of various kinds.

LIMITATIONS OF EDUCATION AND WORK EXPERIENCE

Respondents expected it to be difficult for many, particularly for those over 40, to find a job in their home town or region, especially after mines closed down. For the majority of local residents, education was in one way or another related to coal mining, which limited their ability to find work in other sectors. Work at mining enterprises was usually considered a priority and preferable. However, respondents did show willingness to work for any enterprise and to master other professions that might guarantee a decent standard of living. Young people described IT, psychology, law, police work,

economics, marketing, translation, and various services as interesting and promising.

In terms of institutions where the locals might quickly requalify, respondents said that local facilities such as colleges and universities cater for young people. It was clear that retraining for experienced personnel was poorly communicated because most respondents were unaware of such opportunities or where to turn to for the additional qualifications. Successful experiences were never mentioned during the survey.

REGIONAL DEVELOPMENT AND DIVERSIFICATION

Respondents noted that the diversification of the oblast's economy with the closure of the mines needed to begin gradually and be prepared for in advance. This would guarantee that locals were better prepared for change and promote the gradual implementation of the strategy, and so on.

Some respondents believed that it was more rational to develop and maintain different sectors of the economy.

Respondents also welcomed the idea of using mining infrastructure to develop the local economy. However, not all mining infrastructure is suitable for repurposing, as many have fallen into disrepair or are in collapse.

SOME POSSIBLE AREAS FOR DEVELOPMENT THEY MENTIONED WERE:



industry: tile-making (paving, indoor), brick-making (using, for example, soil from slag heaps), and so on;



porcelain and garment factories;



agriculture, farm equipment repairs, parts manufacturing;



waste recycling;



food processing (juices, confectionery, bakery);



alternative energy equipment manufacturing.

Most respondents were unaware of the activities of international organisations that provide financial support to the Donbas. Still, they expected international organisations to provide comprehensive assistance in two main areas:

- financial assistance such as loans and grants for business development and training, and programmes to attract investors to the region;
- assistance from international specialists, professionals in regional development, and the exchange of experience with other countries.

Participants also considered it necessary to more actively inform and involve locals in existing programmes, and to share information and contact details for international organisations present in the region.

ENVIRONMENTAL PROBLEMS AFTER THE CLOSURE OF MINES

Most respondents believed that the gradual closure of mines would change the environmental situation in the region for the better. Still, given the current difficult state of the environment, positive changes would be neither obvious nor fast. After the oblast's economy was reorganised, respondents expected control over the use of resources, harmful emissions, and so on, to be tightened.

Some of the advantages of mine closures for environmental safety mentioned by respondents included:

- better quality of air and water, greener towns and cleaner water areas;
- the removal of smouldering slag heaps, a source of pollution in Donetsk towns that creates a high radiation background.

At the same time, respondents mentioned environmental risks during the mine closures, in particular a high probability of soil subsiding and of towns being flooded with the flooding of mines. Respondents considered it important to strictly follow safety rules during various works in the underground facilities.



4

CONCLUSIONS

4.1 PROBLEMS FACING URBAN AREAS

- Respondents describe a strong sense of depression, insecurity and fear for the future among local residents. The main factor of negative sentiments is the difficult economic situation in the oblast.
- Public interest in socio-political events in their cities respondents assessed as high. However, most people do not monitor information on their own, but are more inclined to learn about what was happening passively. Despite this, urban residents seem well-informed about changes taking place in cities. In small towns, most changes are noticed and discussed in their communities.
- The most pressing problems are economic ones, especially the mono-industry nature of these towns, and problems related to healthcare, quality of housing and utility services, and urban infrastructure.
- Environmental and educational issues, such as professional development and retraining, seem not so acute, but are no less important.
- Respondents say that previous and current local leaderships have ignored most urban problems⁷. Respondents often cannot name successful initiatives that addressed pressing issues other than a positive trend to improve infrastructure, especially in city centres.
- Respondents do not generally associate the resolution of pressing local problems with the activities of NGOs, active citizens or trade unions.

4.2 THE STATE OF MINES AND EMPLOYMENT PROSPECTS

- Most respondents describe the current condition of mines as difficult, except for privately-owned mines,
- with many enterprises in decline because they are burdened with debts and unprofitable, and so the tendency has been to gradually close them down.
- Respondents see the closure of mines as a near-term reality, which causes considerable concern. Focus group participants agree that unprofitable enterprises should be closed, but mines are almost the only source of revenues for local budgets today. Respondents associate their well-being with successful mining operations.
 - The level of knowledge of European practice with mine closures and social support systems is low. Respondents say that they have had no interest in the issue and also believe that such an approach is unrealistic in Ukraine today.
 - Respondents believe that the government's initiative to gradually close down mines will provoke an emotional response from locals and could lead to mass protests, as well as stimulating the emigration of locals to other parts of the country or abroad.
 - Respondents say that employment opportunities in the oblast are limited. Most have heard nothing about social programmes to support those who have lost their jobs.
 - People know that they can turn to the Employment Centre but they do not consider this a pathway to successful employment as EC job and retraining opportunities are of unsatisfactory quality: vacancies are under par, poorly paid and so on.
 - Participants note that their education is in one way or another related to coal mining, which places limitations on their ability to switch successfully to other sectors.
 - Government agencies communicate ineffectively about retraining for experienced workers. Most respondents are unaware of such opportunities or where to turn to for additional qualification.
 - Most respondents believe that after the gradual closure of mines, the environmental situation in the region will change for the better: the quality of air and water will improve. Respondents also expect slag heaps to be removed.

⁷ The survey was conducted in September 2020.

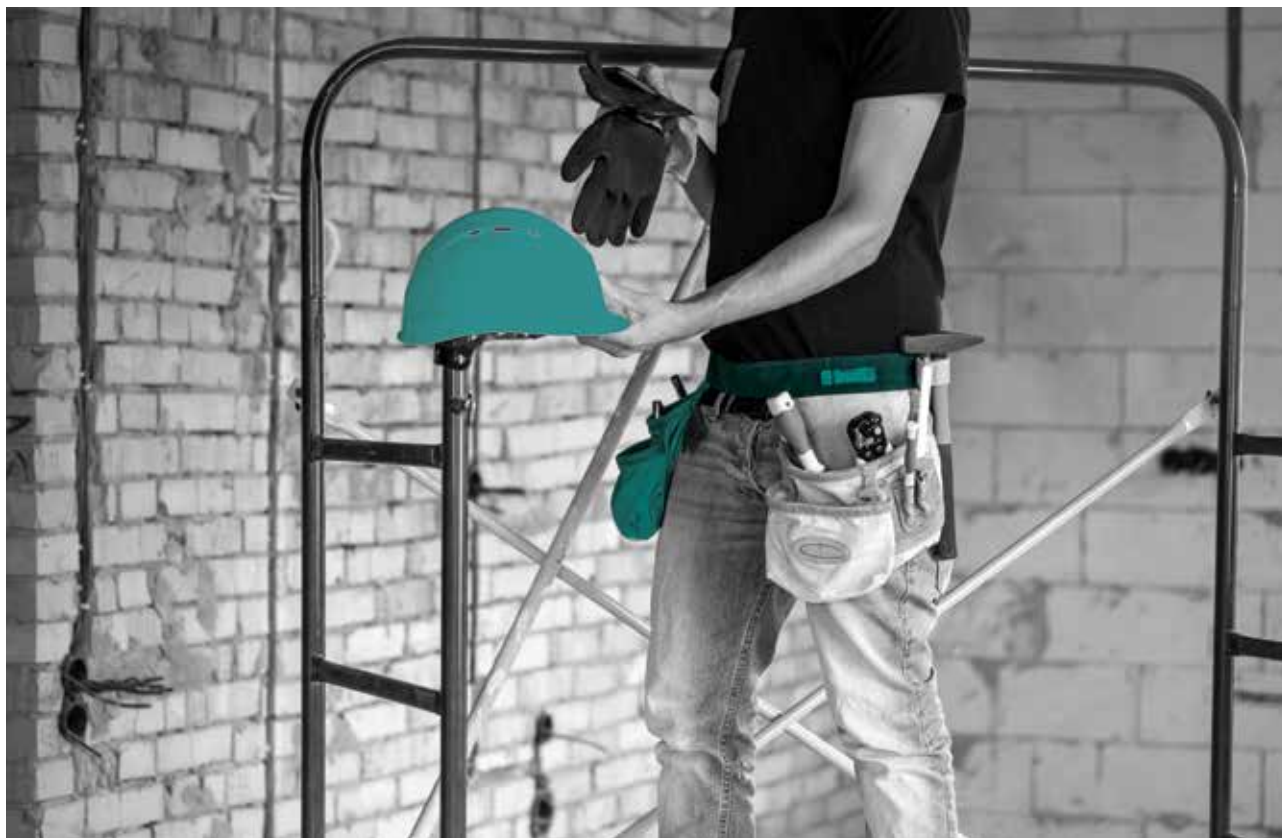


Photo: freepik.com

4.3 LOCAL EXPECTATIONS

- A comprehensive solution to the town's problems. Therefore, local authorities are expected to cooperate with the country's top leadership, including with relevant ministries. Some respondents consider it necessary to involve international foundations and foreign investors.
- A guarantee of alternative jobs for mine-workers and support for SMEs, with the closure of mines. Respondents expect the local government to offer incentives to investors, to organise the retraining of workers in a timely manner, and to ensure that their wages are not below those currently paid at the mines.
- Base the mine closure process and town re-profiling on an approved strategy that is transparent and implemented in close cooperation with the local community. Confidence in the government and its promises is very low. Public confidence could be improved if international organisations get involved and supervise the process.
- The most probable job search options in case of a mine closure is that specialists will look for jobs with private mines in the region or abroad. The rest will try to use their skills for repair work or construction. Young people are considering freelance and outsourcing options.
- Women are considering the option of retraining to work in cosmetology, restaurants or retail sales. Men say they can do repairs or work in sales.
- Respondents say the diversification of the region's economy with the closure of mines should begin gradually and be prepared in advance to guarantee that locals are ready for change, will promote the gradual implementation of the strategy, and so on.
- Priority directions for economic development are industry (production of paving and indoor tiles, and bricks), agriculture, food processing (juices, confectionery, baked goods), light industry (tableware, garments), farm equipment and repairs, and waste recycling.
- International organisations should provide financial assistance such as loans and grants for training and business development, and engage investors, international specialists and professionals in regional development.

5

RECOMMENDATIONS

The survey gives a general impression of the key problems and concerns of residents in coal mining towns in Donetsk Oblast with the closure of coal companies. The main recommendations can be formulated based on the survey results to ensure a just transition in coal districts:

1. CLOSE COOPERATION AT LOCAL, REGIONAL AND NATIONAL LEVELS

For the local population to accept the upcoming changes, the local and regional levels need to be engaged in planning the transition right from the start. Priority should be given to local needs, interests and responsibility.

2. GRADUAL TRANSITION PROCESSES THAT FOLLOW AGREED-UPON, DETAILED PLANS WITH CLEAR DEADLINES

The closure of coal mines and the transition of the coal sector must be properly planned in advance and follow on a strategic vision for the development of mining communities. Clear deadlines for the closure of mining enterprises will allow local and regional authorities to prepare for the process in a timely manner.

3. DIVERSIFYING LOCAL ECONOMIES

The opening of new, innovative enterprises and the development of SMEs will generate new jobs and prevent the emergence of a new monopolist industry. Dependence on a single economic mainstay must be a thing of the past.

4. RETRAINING PROGRAMMES FOR LAID-OFF MINERS

The interests and opinions of current and former miners should be taken into account when designing retraining programmes. Meanwhile, post-secondary and vocational educational institutions that are located in mining

communities and produce mining professionals need to be reprofiled to offer other professional options.

The low level of trust in government promises, both at the local and national levels, can be seen in nearly all the issues raised. This is a key obstacle to a just transition away from coal.

Respondent answers to direct questions about the key steps that need to be taken for the closure of coal enterprises and how these processes should generally be organised outline the concepts and basic principles of a just transition. Respondent conclusions and expectations suggest that locals understand the idea of a just transition even if they don't call it that.



Photo: Niels Ackermann/Lundi13



Photo: Niels Ackermann/Lundi13

With this study, we want to draw the attention of national authorities — the Government of Ukraine, the Ministry of Energy and the newly-established Coordination Centre for the Transformation of Coal Regions — and newly-elected local governments to the fact that the transition planning launched in recent years requires the involvement of local residents in every mining town and region facing closures.

The voices of people living in mining regions must be heard, as their views and attitudes match the fundamental principles currently being proposed by Ukraine's leadership. The key to overcoming initial resistance to inevitable changes should be to improve — and, in some cases, build — trust between the affected communities and government officials. Only in this way will the transition be a truly just one.

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THE FUTURE OF A JUST TRANSITION IN UKRAINE: PERCEPTIONS IN COAL MINING TOWNS

A report on the results of a survey of coal mining town residents
in the Donetsk Region



For the local population to accept future changes, it is essential to engage on local and regional levels right from the start of planning the transition



The opening of new innovative enterprises, the development of small and medium-sized businesses will create new jobs and prevent the emergence of a new mono-industry. Dependence on a single economic mainstay must be left in the past



The interests and opinions of former miners should be taken into account when designing retraining programmes. At the same time, it is necessary to take the fundamental step of reprofiling higher and vocational educational institutions, which are located in mining communities, and graduate mining professionals.