

# 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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November 2020



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# INTRODUCTION

The Cabinet of Ministers of Ukraine plans to close unprofitable coal enterprises. In the coming years, the process will accelerate as Ukraine has joined efforts to fight climate change when it ratified the Paris Agreement in 2016.<sup>1</sup> To contain global warming to 1.5–2°C, as required by scientists, it plans to completely phase out fossil fuels in the coming 2030 years.

On the one hand, this is a rather ambitious goal for the Ukrainian energy sector as over 30% of the country's electricity is generated by coal combustion.<sup>2</sup>

On the other hand, according to the former Ministry of Energy and Coal Production, Ukraine has liquidated 68 state-owned mining enterprises since 2004, while 19 state-owned mines are either being liquidated or prepared for liquidation. Currently, 29 of the 33 state-owned mines are unprofitable and only stay afloat thanks to annual multimillion-dollar subsidies from the state budget.<sup>3</sup> The number of employees in the industry decreased from almost 1 million in 1991 to fewer than 40,000 in 2020.

The country has been slowly winding up the coal industry since becoming independent, but in what way?

Ukraine's experience of the closure of coal mines shows this has been done without planning for socio-economic development of the regions, resulting in comprehensive negative consequences. Local authorities and the population of the towns in question were not consulted when the liquidation process began. In most cases, former mono-towns went into economic decline, with local residents migrating to other settlements and regions.

Ukraine is not the first country in the world needing to close coal companies. The world's experience shows that only a constructive dialogue between state authorities, local self-government bodies and the local population in mining regions will ensure the successful planning of the liquidation of local economic mainstays. All stakeholders must sit down at the negotiating table to address the transformation of coal regions, attract investment to create new environmentally friendly enterprises, 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-out.

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

On a national level, the Cabinet of Ministers of Ukraine established the Coordination Centre for the Transformation of Coal Regions in May 2020. The centre includes relevant government officials, heads of regional state administrations, MPs, representatives of coal mining companies, trade unions and local self-government associations. Some of the main tasks of the centre are to analyse the real state of the economy and social security in mining towns, find new directions for the development of local economy and create jobs. Together, they plan to develop a State Programme for the Transformation of Coal Regions of Ukraine.

In May 2019, six mining towns of the Donetsk Region (Vuhledar, Dobropillia, Pokrovsk, Myrnohrad, Novohrodivka, Selydove), the Donetsk Chamber of Commerce and Industry, and three local NGOs joined forces at the regional level to create a Platform for Sustainable Development of Coal Towns. Its main goal is to find alternative ways to develop their 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, without

<sup>1</sup> The Paris Agreement was adopted on 12 December 2015 but signed in 2016, therefore some references mention either year.

<sup>2</sup> The Ministry of Energy, 2020. Information about the operation of the electric power industry: [http://mpe.kmu.gov.ua/minugol/control/uk/publish/officialcategory?cat\\_id=245183225](http://mpe.kmu.gov.ua/minugol/control/uk/publish/officialcategory?cat_id=245183225).

<sup>3</sup> 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>.

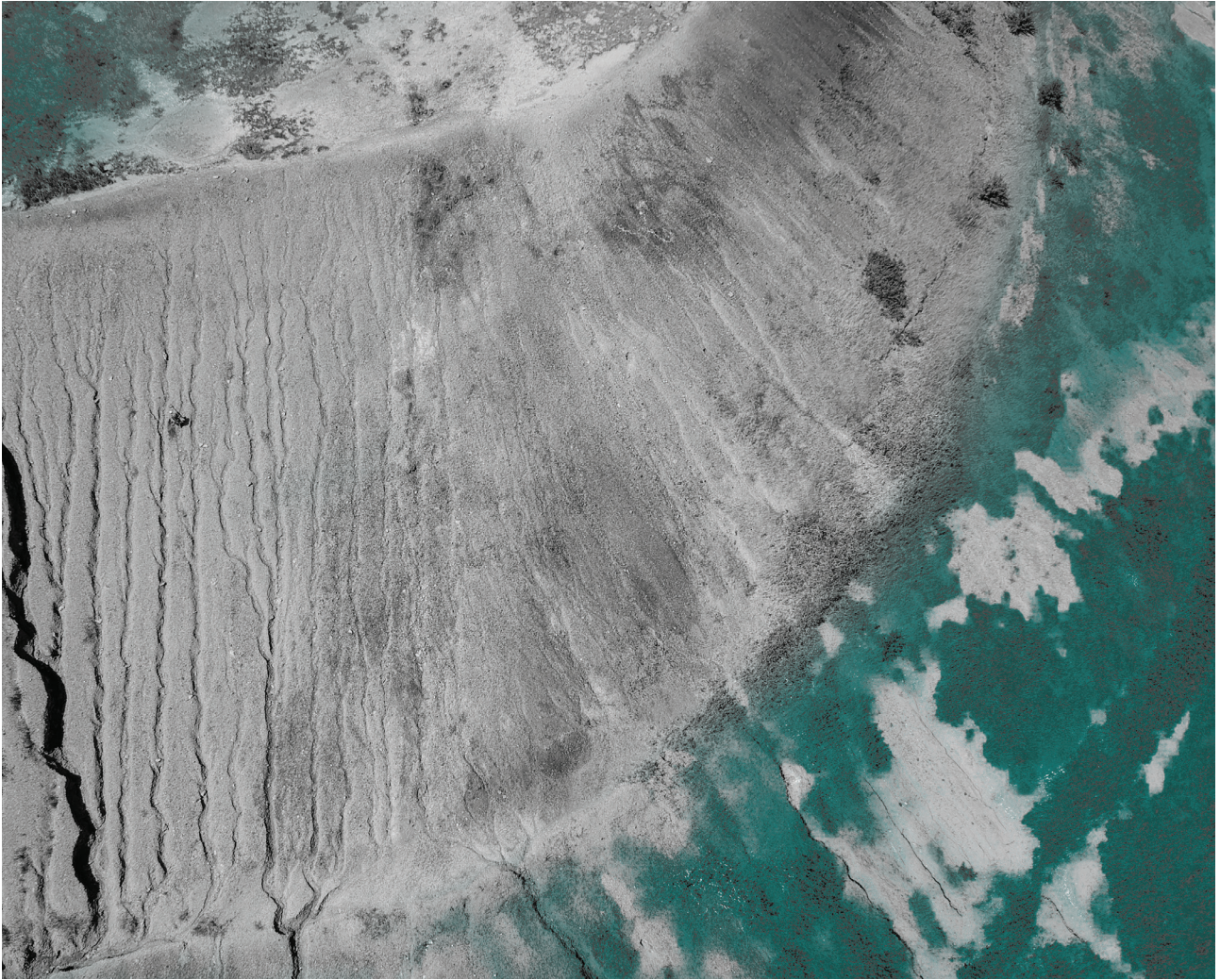


Foto: Niels Ackermann/Lundi13

considering its opinions and wishes. In order for people of the region to be heard during the initiated processes, the Friedrich Ebert Foundation Ukraine and the Centre for Environmental Initiatives Ecoaction joined forces and commissioned a sociological study entitled "The Future of a Just Transition in Ukraine: Perceptions in Coal Mining Towns".

The presented results reflect the sentiments of the local population. The conclusions are based on the results of focus group discussions in seven mining towns of the Donetsk Region (Dobropillia, Myrnohrad, Novohrodivka, Pokrovsk, Vuhledar, Selydove, Toretsk).

## 1

## PURPOSE OF THE SURVEY

The purpose of the survey is to analyse how residents of coal mining towns in the Donetsk Region (Dobropillia, Myrnohrad, Novohrodivka, Pokrovsk, Vuhledar, Selydove

and Toretsk) view the development of the region and of their particular towns given the future closure of coal mines.









## 2

## SURVEY METHODOLOGY

The survey was held in July and August 2020 using focus group discussions with residents of the towns of Dobropillia, Myrnohrad, Novohrodivka, Pokrovsk, Vuhledar, Selydove and Toretsk. Focus group participants included men and women aged 18 to 60 with eight respondents per each discussion.

Each discussion lasted for 120 minutes on average. A total of seven focus groups discussions (one per every 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

## MAIN CONCLUSIONS

## SITUATION IN TOWNS

“It is a mining town. There is a miner in every family, sometimes more than one. There are mining dynasties. This town began as a mine.”<sup>4</sup>  
 Woman, 45 years (Vuhledar)

Respondents note prevailing feelings of depression, insecurity and fear of the future among local residents. The main factor in negative sentiments is the difficult economic situation in the region.

“We are in the 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 city mines are closed. We are hanging by a thread, there is nothing here. They will close down the bakery now and there will be zero.”  
 Woman, 52 years (Selydove)

The level of public interest in socio-political events in the city is assessed as high. However, most people do not monitor information on their own as they are more inclined to perceive the reality passively. Despite this fact, the population is well informed about the changes taking place in the city: in small settlements most changes are noticed and discussed in their respective communities.

The most pressing problems of the city are economic ones (in particular, its mono-profile) and those related to health care, quality housing, utility services and urban infrastructure.

“The city budget depends mostly on our mines.”  
 Woman, 31 years (Myrnohrad)

“We have many miners and pensioners entitled to health benefits. They have occupational diseases, they are always sick, they call at our hospitals whose staff has been laid off, there are no doctors.”  
 Man, 51 years (Toretsk)

“They have no place, no opportunity and no place for rest, the city has very limited options for rest.”  
 Woman, 52 years (Selydove)

Environmental and educational (study and retraining) problems are not as severe but are nonetheless important.

“In winter, you open the window and the windowsill is black because of soot. Heating does it.”  
 Man, 39 years (Dobropillia)

“We do not have any higher educational institutions in our town, there is a vocational school which teaches miners too. So you need to go to another town for that same extramural programme but it is expensive.”  
 Man, 25 years (Myrnohrad)

Respondents say that the previous and current local authorities ignore most urban problems.<sup>5</sup> Respondents often cannot name successful initiatives that address pressing issues other than a positive trend to improve infrastructure (especially in downtowns).

Respondents usually do not associate solving the city's pressing problems with the activities of non-governmental organisations, active citizens and trade unions.



Foto: Niels Ackermann/Lundi13

<sup>4</sup> Hereinafter respondents' quotes have not been copy-edited.

<sup>5</sup> This research was conducted before the local elections on October 25, 2020



Foto: Niels Ackermann/Lundi13

## CLOSURE OF MINES AND THEIR PROSPECTS

„If mines get closed, there will be an exclusion zone.”  
Man, 41 years (Vuhledar)

Most respondents describe the current condition of mines as difficult (except for privately-owned mines), with many enterprises being in decline because they have low profitability and debts. Therefore, there is a tendency to gradually shut them down.

Therefore, respondents see the closure of mines as a short-term prospect, which gives them a cause for concern. Focus group participants agree that unprofitable enterprises should be closed, however mines are the only source of revenues for local budgets today. The population associates its well-being with their successful operation.

The study showed a low level of knowledge of European experience in mine closure and social support. Respondents say that they have taken no interest in the issue and they also believe that such a scenario is unrealistic in the Ukrainian context.

„We did not see into the closure of mines in other states. We did not take any interest.”  
Woman, 28 years (Pokrovsk)

Respondents believe that the government's initiative to gradually close down mines will provoke an emotional response from the population and may lead to mass protests, as well as exacerbate the outflow of urban residents to other regions of the country and abroad.

Respondents say that employment opportunities in the region 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 do not consider it an option for successful employment as this institution offers jobs and retraining of unsatisfactory quality, meaning that vacancies are under par, poorly paid and so on.

Participants in focus group discussions note that their education is in one way or another related to coal mining, which puts limitations on their ability to fulfil themselves in other sectors.

State bodies insufficiently communicate the issue of retraining experienced personnel. Most respondents are unaware of such opportunities or where to turn to for an 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 resources will improve. Respondents also expect slag heaps to be removed.

## 4

## RECOMMENDATIONS

The survey gives a general impression of the key problems and concerns of residents in coal mining towns in the Donetsk Region after coal companies close down.

Main recommendations can be formulated based on the survey results to ensure the just transition of coal districts. They are summarised below:

### 1. THE NEED FOR CLOSE COOPERATION AT LOCAL, REGIONAL AND NATIONAL LEVELS

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.

### 2. TRANSITION PROCESSES MUST HAPPEN GRADUALLY AND FOLLOW AGREED AND DETAILED PLANS AND CLEAR DEADLINES

Transition of the coal sector and the closure of coal mines must be planned in advance and rely on a strategic vision for the development of mining communities. Clear deadlines for the closure of mining enterprises will enable the local and regional authorities to promptly prepare for the process.

### 3. DIVERSIFIED LOCAL ECONOMY

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.

### 4. DEVELOPMENT AND IMPLEMENTATION OF RETRAINING PROGRAMMES FOR LAID-OFF MINERS

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.

We also deem it necessary to highlight the low level of trust in government officials' promises (both at the local and national levels), which can be traced through almost all the issues raised. In our view, this is one of the main obstacles to a just transition away from coal.

At the same time, respondents' answers to direct questions about the important steps that should be taken for the closure of coal enterprises and how these processes should generally be organised contained the concepts and basic principles of a just transition. Respondents' conclusions and expectations give grounds to say that the local population understands the concept of just transition without directly mentioning it.

With this study, we want to draw the attention of national authorities (primarily the Government of Ukraine, the Ministry of Energy and the newly-established Coordination Centre for the Transformation of Coal Regions) and newly-elected local self-government bodies to the fact that transition planning, which was launched in recent years, requires the involvement of local residents in specific mining towns and regions.

The voice of people in the regions most affected by the closure of coal mines must be heard as their views and attitudes match the fundamental principles currently being declared by the Ukrainian authorities. That is why the key to overcoming the initial rejection of inevitable change should be to improve (and, in some cases, build) trust between government officials and the local population. Only under this condition will the transition truly be a just one.







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Design: Olena Marchishina, Roman Marchishin  
Foto: Niels Ackermann/Lundi13

This research was conducted by the Infosapiens at the request of the Representation of the Friedrich Ebert Foundation in Ukraine and the Center for Environmental Initiatives Ecoaction.

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