



*European Economic and Social Committee
Comité économique et social européen*

Round Tables in Coal Mining Regions organised by CCMI

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DELEGATE OF THE CONSULTATIVE COMMISSION ON INDUSTRIAL CHANGE (CCMI)

Coal Round Table, Greece, Thessaloniki, 19 September 2019

EESC Opinion on Indigenous Coal in the EU Energy Transition

- The opinion was adopted in May 2016
- Main conclusions and recommendations:
 - Not only the employees of coal mining companies but also the coal mining regions will be strongly affected by the reduction or phasing out of coal mining
 - Coal mining regions
 - have to prepare in advance for far-reaching changes and for a viable future
 - It has to be noticed that there are two types of regions:
 - one where mining will end soon or has even ended
➡ restructuring
 - the other, where mining will continue for decades
➡ efficient use of coal, clean coal technology, alternative use of coal plus timely preparations for restructuring



European Economic and Social Committee

Brussels, 25 May 2016

OPINION

of the

European Economic and Social Committee
on

Indigenous coal in the EU energy transition

Rapporteur General: Mr D Fornea

Co-rapporteur General: Mrs R Eisenvortov

EESC Opinion on Indigenous Coal in the EU Energy Transition

The EC representative from DG Energy took part in the discussion of the opinion, and subsequently discussed the future of the coal mining regions with CCMI

The EC has concentrated its activities focused on coal mining regions in the Coal Regions in Transition Platform that was set up in December 2017 and started its operations in 2018.



The CCMI has decided to follow up on its opinion by a series of round tables organised directly in coal mining regions with the affected stakeholders (regional authorities, municipalities, unions, civil society...) and started these round tables also in 2018.



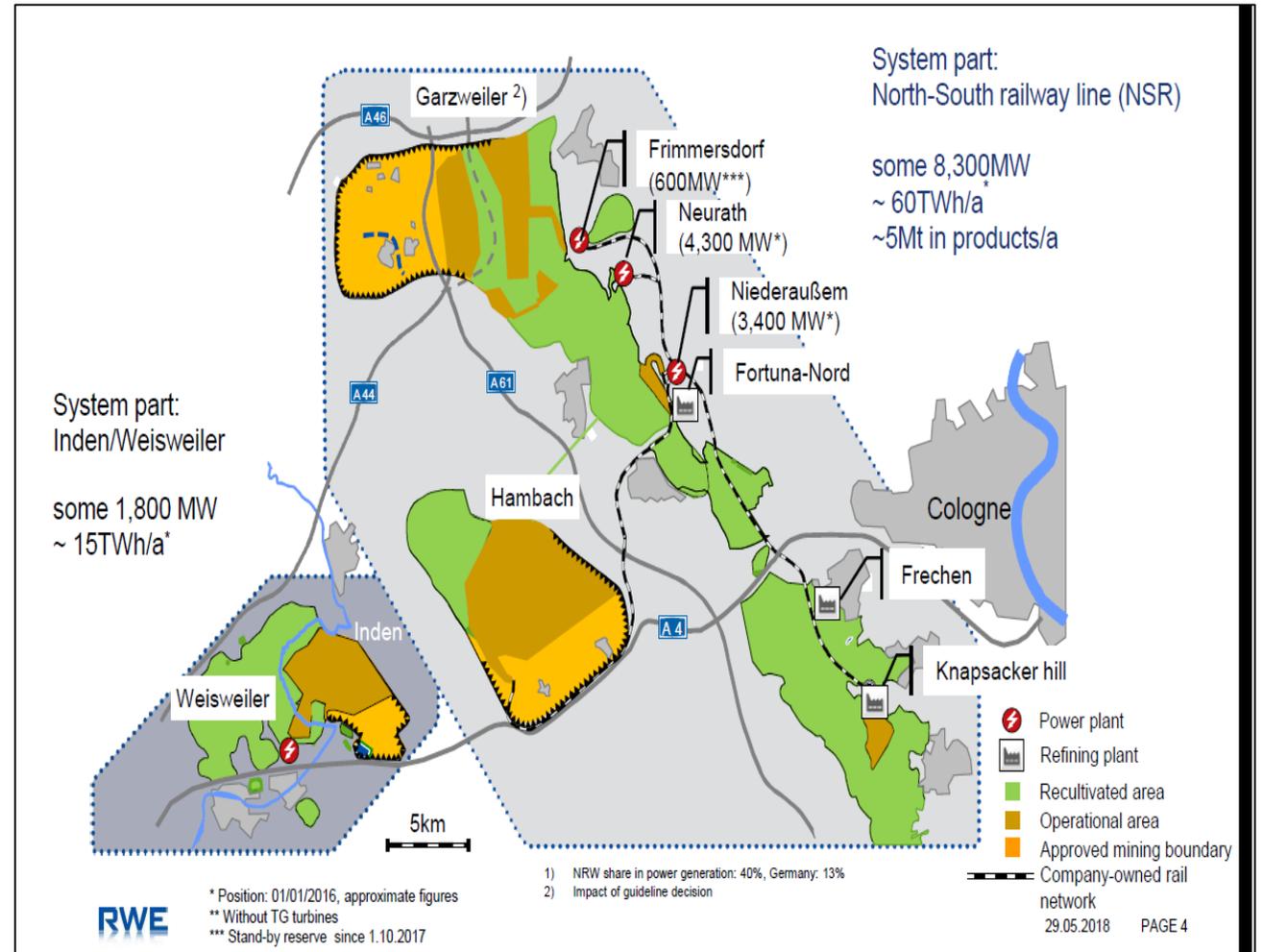
Round tables in coal mining regions organised by CCMI

In 2018, CCMI organised three round tables in Germany, Rumania and in the Czech Republic

GERMANY

The Rhine brown coal mining area, 29 May 2018

- A region with important open-cast mining (90 Mt) and electricity production
- The districts have allied with the trade unions and municipalities and established an Innovation Agency, IRR, to have a framework and an organisation to follow up on post-mining



Round tables in coal mining regions organised by CCMI - Germany

GERMANY pays great attention to technology, innovation, material use of coal, and education

Technology, innovation

➤ RWE Power established the **Coal Innovative Centre** in Niederaussem

- a centre dedicated to the future of coal



Brown coal



Synthesegas



Synthetisches Erdgas



Chemikalien*



Kraftstoffe



Wachse

- its aim is to achieve significant reductions in CO₂ emissions and use coal as a product (syngas, synthetic natural gas, chemicals, fuel, waxes)

Education

➤ Development of the region through education, families, children is the motto of the coalition agreement 2017-2022 /Christian Democrats and Free Democrats/

- improve vocational training

- bring the universities of the country to the academic quality of the best universities in the world (master's degree...)

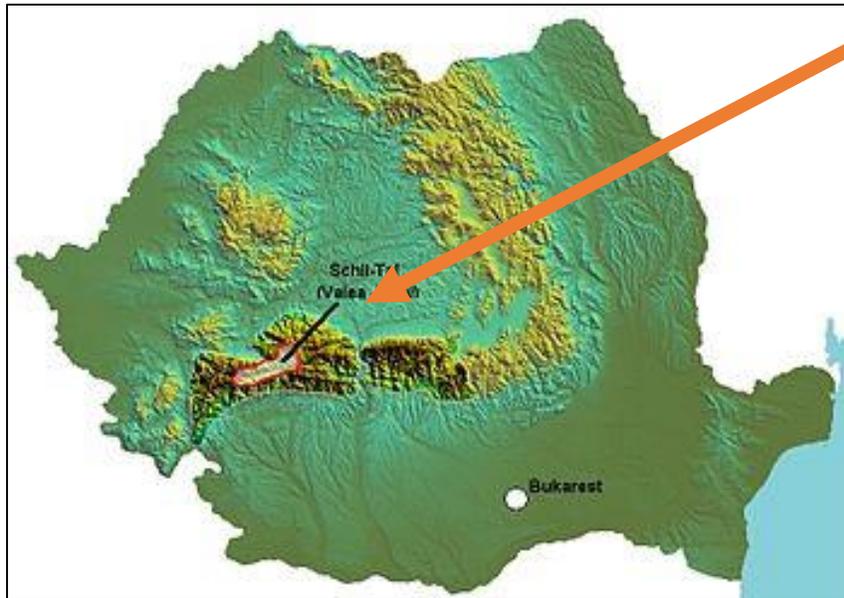
- promote further education...

Aim: Keep young people in the region and support the creation of families



Round tables in coal mining regions organised by CCMI - Romania

High-level debate in the Jiu Valley region, in Petrosani on 13 September 2018



- The Jiu Valley is a region in south-western Romania, Transylvania, in the Hunedoara District
- **Before 1989**, this region was **one of the most industrialised districts in Romania**; the main activity was coal mining; **today**, it is a **poor region with many social problems**, badly connected with the rest of Romania and facing **massive depopulation**
- In 1989, with 50,000 employees in the mining sector, while today with 3,300 employees
- Only four hard coal underground mines have remained

Round tables in coal mining regions organised by CCMI - Romania

High-level debate in Petroșani on 13 September 2018



- The main problem of the region was **lack of communication between the government and the region**
- The government decided to close two hard coal underground mines (Lonea and Lupeni) of the four remaining mines without discussing the impact with representatives of the region or representatives of the mining sector



- The coal round table was used to organise a **high level debate in the presence of the Romanian Commissioner Mrs Corina Cretu and representatives of Romanian ministries**
- **A joint statement, the Petrosani declaration to support the miners and region, was adopted** (a social package: early retirement after at least 15 years of service, re-training; industrial park, preparation of projects – no project has been presented to the ministry to date)

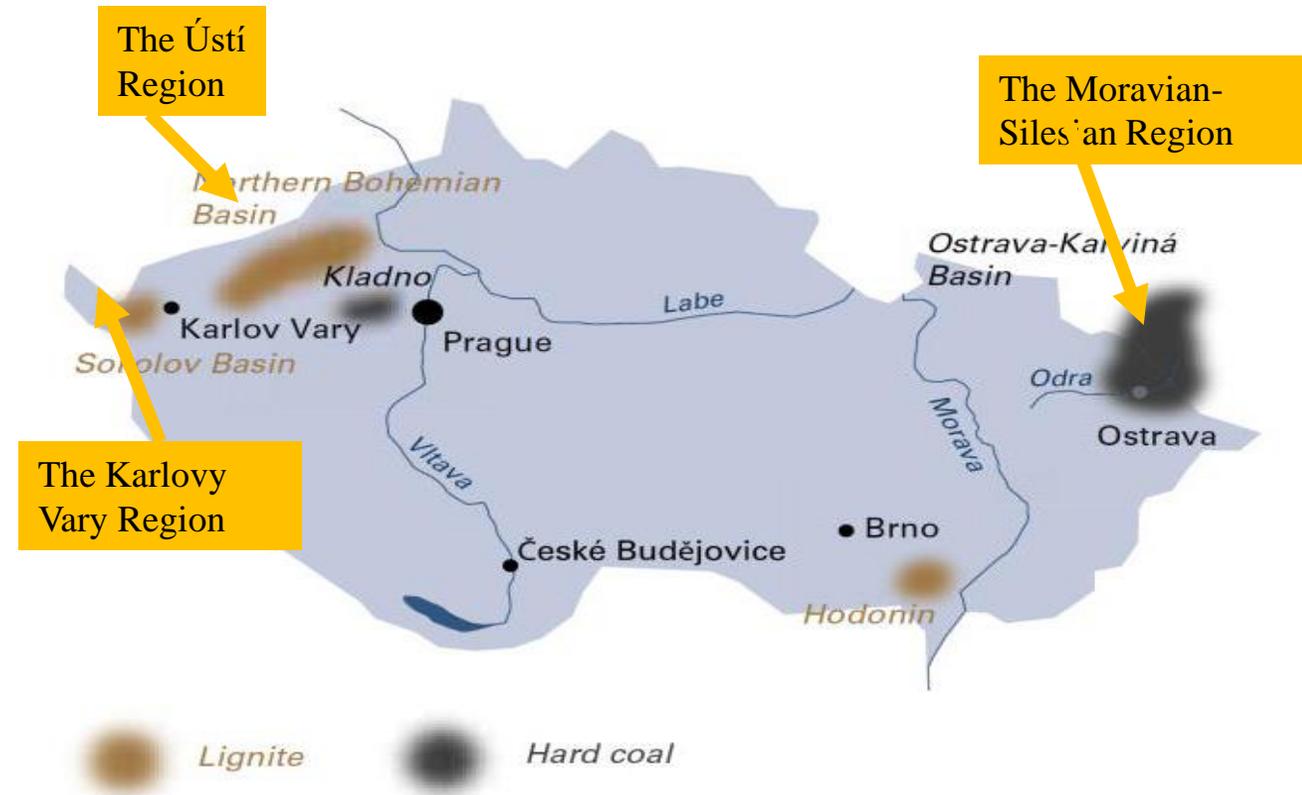
Round tables in coal mining regions organised by CCMI – Czech Republic

Round table in the Ústí Region, on 28 November 2018

- In the Czech Republic, there are three coal mining regions; all three are covered by the government's restructuring programme called RE:START



- The round table took place in **the Ústí Region that faces major social problems**: socially excluded localities, high indebtedness, enforcements, low level of education, long unemployed people who do not want to take a job...
- The number of inhabitants is decreasing, young and qualified people are leaving this region, which makes the social structure even more difficult



Round tables in coal mining regions organised by CCMI – Czech Republic

Round table in the Ústí Region, on 28 November 2018

- The RE:START Programme has 7 pillars, including the following:



- **Current projects:**

- **KOMPAS a methodological survey of which professions will be needed in the mining regions in the future**

- **Support for higher education**

(for example: Construction of a new building for the Faculty of Health Studies at the Jan Evangelista Purkyně University in Ústí nad Labem)

+

- influencing the insolvency legislation
- focus on long unemployed people
- preparing people who have either no or very low skills
- working with school principals (no need felt to study, parents have also finished with primary education)

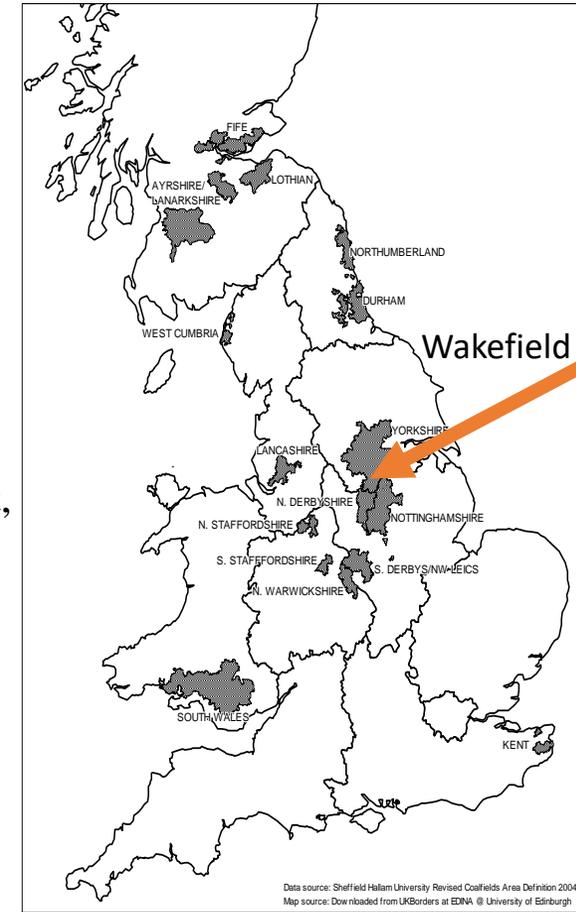


Round tables in coal mining regions organised by CCMI, the United Kingdom

In 2019, CCMI organised two round tables in the UK, Spain and Poland to date (+ planned in Greece)

UK, Wakefield, 6 March 2019

- During the 20th century, UK was a country of the coal industry; peak in 1913, a million miners, 3,000 hard coal mines)
- **The exit from coal production was not planned, it was carried out for economic reasons, especially after the privatisation of coal mines in 1995; climatic reasons were added later**
- As late as 1980, in 130 coal mines 240,000 people were working; today, in three mines 500 people
- The loss of jobs was compensated for by a relatively high severance pay, social benefits, early retirement, but there was also brutal management of dismissals
- Even before the closure of mines, there was a high rate of unemployment in mining areas, which deepened and caused a number of other problems - mental health problems, alcohol problems ... charitable organizations played an important role
- **It took 20 to 30 years to create alternative jobs and some regions still have not managed it**



UK coal deposits

Statement of our British colleagues:

Restructuring is possible, but it is a long-term process for one to two generations!

Round tables in coal mining regions organised by CCMI - Spain

Asturia, Miers, 28 March 2019

- Prime Minister Pedro Sánchez's new government has launched a new environmental policy
- **Spain closed 10 coal mines at the end of 2018, with only one remaining** - the last one
- The most affected will be the northern mining regions of Spain - Asturias, Aragón and Castilla y León
- Government has earmarked over € 2 billion from the national budget for early retirement (over 48 years), retraining, and environmental restoration costs
- **Coal-fired power stations will continue to operate and will be supplied with imported coal;** electricity will be imported, e.g. from Morocco, where new coal-fired power stations have been built



Miners and inhabitants of the mining regions were outraged:

Our domestic coal cannot be mined, we have lost jobs, our families and coal regions will become poorer and poorer...

We will import coal from around the world. That's ecology!

Round tables in coal mining regions organised by CCMI - Poland

Upper Silesia, Katowice, 6 September 2019

- The driving force of the development of Upper Silesia in the 19th and notably in the 20th century was coal mining and the metallurgical industry.
- **Since the 1990s a wave of mine closures** (in Poland about 50 mines were closed). The least profitable mines were transferred to a restructuring company with a view to closure.
- **Some cities** in the region, such as Katowice, **were able to diversify** their industrial sector and attract services, including finance and IT. **Others faced a decade of depression after their mines closed.**
- **Population decline** in Silesia in 2000-2017 : -4.4% (in Poland: increase by 0.5%)
- 2030: Estimated decline in population in Silesia: -5.7% (including mining communities: -8.5%, non-mining communities: -2.7%)



Round tables in coal mining regions organised by CCMI - Poland

Upper Silesia, Katowice, 6 September 2019

- **The economic outlook for Silesia is now conducive to a coal phasing out**
- The transformation process is aided by a boom in tertiary education and the availability of jobs in the chemical and automotive industries, but many of the new workplaces available today pay much less than what miners were used to, on average 50% of their average salaries.
- **Creating high-quality jobs requires investment and planning.**
- The University of Economics in Cracow calculated that **Upper Silesia needs EUR 50 billion for transformation.**
- **The strategic operator** of the revitalisation process in the region and the coordinator of activities is the **board of the President of the region**, which has created a **regional team including all stakeholders, identifying new projects and monitoring the progress of project implementation.**

Summary:

1 Changes in Upper Silesia, soon throughout Poland, related to the gradual decline of coal mining are inevitable.

2 But they must not be done in a revolutionary but rather an evolutionary way, over the years to come, applying social responsibility and sustainable development.

3 Economic, social and environmental aspects have to be taken into account.

Lessons learned from the round tables in the coal mining regions

The preceding slides show the situation as presented to us in the coal regions; the evaluation will be carried out by the end of the year (two-year project), but the following can already be said:

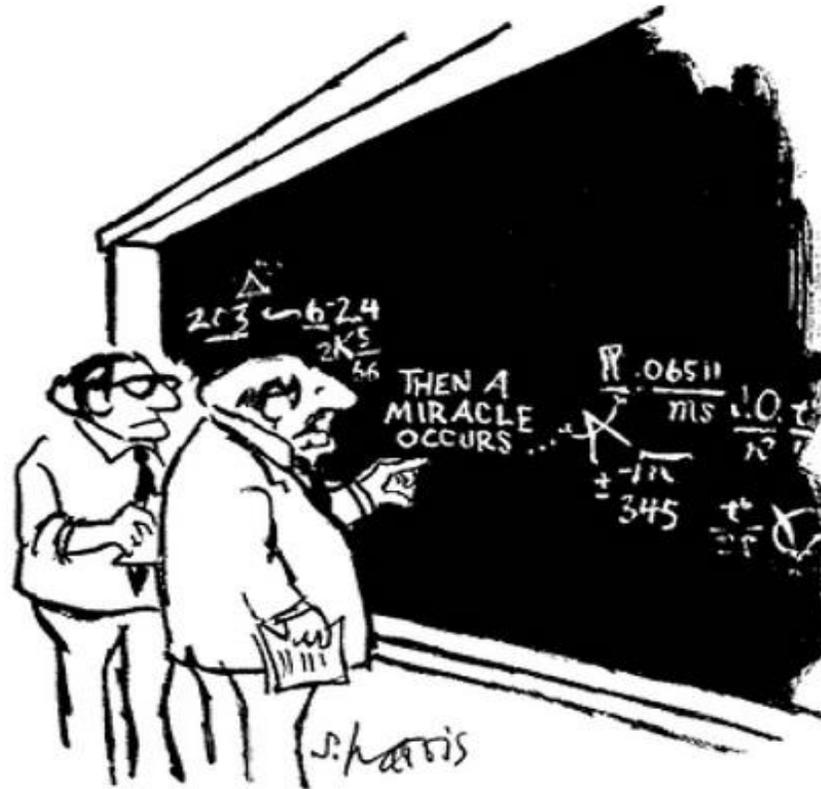
- **Each mining region has its specific features and specific potential**
- **Restructuring solutions have to be tailor-made.
There is no universal recipe!**
- However, there are **several generally applicable rules:**
 - Cooperation with all stakeholders avoiding dissatisfaction and subsequent criticism (equal status and voting rights, provide all partners with the same information and documents, transparent feedback mechanisms for comments...)
 - Ensure public acceptance
 - Exploit the potential of the region
 - Genuine stakeholder consultation at the planning stage
 - Develop a long-term strategy, medium-term strategy, and action plans;
 - Select the priorities and prepare viable projects;
 - Mobilise local, regional, national and EU funding and ensure a sufficient budget.



Source: EFS

Regional transition:

It is not wise to let the future happen, we all have to shape it
...no miracle will occur



Transition strategy

"I think you should be more explicit here in step two."

Source: Philipp.Schepelmann@wupperinst.org

Thank you for your attention!

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PILLARS AND TARGETS

Change of economic structure, faster economic growth and cease of regions lagging

Identity – enforcing solidarity and self-confidence of inhabitants
Image – improved perception of regions by the neighbours: visits, investors, talents

Pillar Business and innovation

Growing business capable to cope with changes in global markets.

Pillar Direct investments

More direct investments with higher added value.

Pillar Research and development

Research and development with higher benefits for economy..

Pillar Human resources

Competent people for industry, services and public authorities.

Pillar Social stabilization

Remove barriers of development related with social instability..

Pillar Environment

Better quality of environment. Revitalized and regenerated area for better business and healthier life of inhabitants.

Pillar Infrastructure and public administration

Better quality infrastructure for business, attracting investments and addressing social exclusion.
 Better quality services of public administration for businesses and citizens.

Pillar Implementation