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Getting out of coal within a generation: It's possible

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Coal is responsible for 44% of global greenhouse gas emissions.[\[1\]](#) It is necessary to reduce them drastically to limit global warming and to respect the Paris Agreement. While coal represents 28% of the world's primary energy consumption[\[2\]](#) and employs millions of people from combustion to extraction, this may seem unrealistic. However, it is possible to accompany the transition out of coal in good social and economic conditions. Major coal-consuming countries have credible options to do so within a generation.

These are the findings of the consortium “[Coal transitions: Research and dialogue on the future of coal](#)”, led by IDDRI and Climate Strategies, in collaboration with leading research institutes in six major coal-consuming countries

With the adequate policies, coal could be almost completely phased out of the power sector within the next 20-30 years in all six countries [Germany, Poland, China, India, South Africa, Australia], without significantly raising power costs for consumers, while reaping economic and social benefits from a transition into new industries

Reaping economic and social benefits from a transition into new industries

The [synthesis report](#), based on country case studies ([Germany](#), [Poland](#), [China](#), [India](#), [South Africa](#), [Australia](#)), shows that with the adequate policies, coal could be almost completely phased out of the power sector within the next 20-30 years in all six countries without significantly raising power costs for consumers, while reaping economic and social benefits from a transition into new industries. For instance, in India the evidence is that renewable-based mini-grids provide more reliable and cheaper access to electricity for the poor, with spill over benefits for economic development and human health.

Global peak and decline of global thermal coal: Approaching faster than previously shown

In addition, the [macroeconomic analysis](#) (on which the synthesis report also draws) shows that the global peak and decline of global thermal coal is approaching faster than previously shown: the most likely scenario now is that global thermal coal demand will peak and begin to decline in the early to mid-2020s. This will be driven by the ongoing economic rebalancing of the Chinese economy—public policies in favour of more reliance on domestic demand and technological innovations—the growing political importance of air and soil quality and water availability in developing countries, and the mere fact that it's now cheaper to provide access to electricity through renewables than coal.

While even a, for instance, 5-10% decline in domestic use of thermal coal in China alone (which would not be sufficient to meet the Paris Agreement) could wipe out up to a third of the global seaborne market for coal, major exporting countries, such as Australia and South Africa, appear to be underprepared for the coming downturn in global coal demand.

Developing strategies and policies to support coal transition

New economic activities based on innovative sectors

Developing strategies and policies to support coal transition is more urgent than ever. Depending on the country, thermal coal could be replaced by a portfolio of other options, including cleaner energy, energy efficiency and, in some cases, residual amounts of coal with carbon capture and storage. Both national and local authorities could also explore the possibility of implementing new economic activities based on innovative sectors (renewable energies or non-energy based activities).

Anticipating rather than waiting until the economics turns against coal

The report also shows how to ensure that workers in the coal industry and their communities can benefit from these new activities. Such solutions must be context-specific and agreed between the relevant parties. However, the crucial success factor is to anticipate rather than wait until the economics turns against coal. A good preparation can allow for younger eligible workers to be more easily placed into alternative jobs, for older workers to retire naturally, and for tailored worker reconversion and job-transfer programs for workers in the middle of their careers.

Raising the ambition of international action against climate change

In a broader perspective, this report shows what it means to "raise the ambition" of international action against climate change. Signatory countries to the Paris Agreement are required to submit their revised "nationally determined contributions" by 2020. 36 governments and some 50 companies have committed to phase out coal in the electricity sector by 2030, as part of the Powering Past Coalition Alliance. Beyond commitments, all countries will have to indicate exactly how they plan to move away from coal and fossil fuels.

[1] Center for Climate and Energy Solutions, Coal (n.d.) [Center for Climate and Energy Solutions](#).

[Accessed April 2, 2017]

[2] Same source

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Final report

[Report](#)

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