A PLAN FOR THE ECONOMIC AND SOCIAL SURVIVAL OF WESTERN MACEDONIA AFTER THE DE-LIGNITIZATION

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ABSTRACT

The National Energy and Climate Plan voted by the Greek government in 2019 and the European Green Deal that the European Commission announced in 2019 accelerated the de-lignitization plans in Europe and Greece. As has occurred many times in the past when technologies changed, as with the planned shutdown of lignite plants, unless measures are taken, there will be severe impacts in these regions**:** product contraction, raise of unemployment, environmental desertification. The aim of the current study is to frame proposals for the economy and the working people that shall guarantee a smooth transition, with respect to the environment. The research findings derived from interviews with locals, on-site visits and studying of the relevant literature. A key feature of the proposals is the manufacturing of agricultural production, the renaming of no-name products into trademark products, clustering etc. The main conclusion is the importance that shall be given to activities affecting and crossing the existing local economy and the avoidance of creation "cathedrals in the desert", in other words major investments with no multiplier benefits for the Region.

KEYWORDS

Clean Energy, Coal Regions, Delignitization, Green Deal, Just Transition, Transition.

1. INTRODUCTION

At European Union level, in 2019, carbon provided one fourth of energy supply. Carbon and lignite are mined in 12 member states by 128 mines, while carbon-fired power plants operate in 21 states. In the carbon sector, 238,000 employees are occupied working in the coal or lignite mines and the power plants. It is estimated that by 2030, 160,000 jobs will be lost, and further losses will occur in indirect activities along the value chain: equipment supply, services, research and development, steel sector etc. The Regions to be mostly affected by the carbon and lignite phase-out are in the following countries: Bulgaria, Germany, Poland, Romania, Spain and the United Kingdom. The largest number of mines, according to 2015 data, was in Poland (35), Spain (26) and Germany and Bulgaria - 12 in each country, (European Commission, 2018)[1].

In the European map with the Regions affected, from Greece, only the Region of Western Macedonia is considered.

The estimations about the effects of de-lignitization in Western Macedonia vary significantly: the most trustworthy resources estimate the number of the affected to be about 5,500 employees. According to the calculations made by the Small Enterprises'

Institute of the Hellenic Confederation of Professionals, Craftsmen and Merchants, 14,275 workers will be directly affected, 8,546 indirectly and 53,330 others whose income derives at a smaller or larger rate from the lignite production.

The significance of the research is related to the working, economic and social future of these people. A realistic and ambiguous proposal can reassure the "next day".

On the contrary, a plan that is to be proved inapplicable or inefficient for the region will turn the Region of Western Macedonia into a "ghost" Region. Furthermore, it will discredit the de-lignitization and the transition to green energy.

2. METHODOLOGY

The methodology followed included: Interviewing professionals of the most significant sectors of the area and studying the relevant literature and statistical data series.

3. RESULTS AND DISCUSSION

In total, in the primary sector of production of the Region of Western Macedonia (RWM), according to the Research of Labor Force of ELSTAT, during the third semester of 2019 18.249 persons were working or the 20.83% of the Region's labor force. 17,803 of them were occupied in the crop and animal production, hunting and related service activities and 446 in forestry and logging. Workers of the primary production in the RWM are twice the number of the national average (10.97% of the labor force), many more than those working in the same sector in Central Macedonia and Epirus (13.19% and 14.65%, respectively) and equivalent to the workers in Thessaly (21.63%). Regardless of the working relationships (that is to say, including the members of the household, seasonal workers and employment in mutual help between farmers) in the primary sector of the RWM in 2016**,** 103,489 persons were occupied.

In recent years, in the Region, there has been a noticeable shift to aromatic plants, while areas under trees are deemed profitable, that can be expanded to absorb a crucial number of workers who will be obliged to switch profession because of the delignitization. The extended annual corps (wheat) that are a last resort and may well be replaced by other more profitable and intensive corps, the variety of micro-climates in the Region and the existing expertise, enable the expansion of the primary production.

However, there are two conditions sine qua non for agriculture to ensure an adequate income. The first condition is related to the economic costs required to initiate the cultivation that will make enough for a living (over 50,000 euros) and the time required until it begins to yield (more than 3 years). Even if the profession switch successfully happens, the Just Transition Fund needs to ensures or contribute to both the initial cost of the investment and the survival of the producers until the crops yield what is necessary for their living**.** In all circumstances, the hastiness of the de-lignitization's timetable is evident; more time is required for the labor force to switch to other activities.

The second condition, for the profitability of the labor force's professional switch to primary production, requires a combination of various economic factors and the expansion of the time planning. It concerns the manufacturing and sales organization.

A prerequisite for the further development of the primary production is filling the existing gap in the manufacturing of agricultural products which already limits their growth.

Manufacturing may refer to the setting-up of a pasta plant for the processing of wheat; cheese factories, slaughterhouses and diary industries for the livestock production; respectively for the agricultural products there could be installed cold stores, sorting equipment, packaging stations, canning and juicing industry. Production units of that kind could eliminate the seasonal character of several crops (peaches, apples, cherries etc.) which lead to seasonal work and income, providing

annual income, halt the flee abroad of valuable resources concerning manufacturing, even the simple activity of product packaging and foremost, create hundreds of viable, competitive and quality working seats in the Region.

Even the few manufactures of agricultural products that exist in the region and have managed to process agricultural production following modern and certified methods have not achieved managing the most crucial impediment that perpetrates in agricultural production: the final product distribution to reach consumers. The small scale of production, fluctuations on the ingredients and quality year over year, the inability of producers to enter the distribution networks and the ignorance that sometimes characterizes the producers since they are occupied with farming, lead the allocation of crucial resources towards that direction. It is extremely contradictory, the production of millions of euros value of necessary products to remain unallocated due to inaccessibility to distribution networks, during an era of thousands of well-educated marketing graduates deriving from Greek universities.

To overcome this crucial problem, the top priority should be the creation of a contemporary, attractive and representative commercial brand name that shall bring together the producers of the Region in a voluntary context and guarantee at least the gradual standardization of the product**.**

Modern industrial design could play a crucial role on the sales promotion of agri-food production.

The creation of incentives towards the direction of the formation of cooperatives, groups of producers or clusters among not only producers but also between producers, manufacturing and operators of sales promotion and marketing can create multiplying effects. The formation of such synergies aiming even the development of a massive and certified brand name associated with the Region that will cover the whole area and its products, overcoming the problem of small production is a sine qua non.

The importance of the irrigation projects for the Region is affirmed by the relatively small proportion of irrigable and irrigated land to the total of agricultural land in use. (Irrigable is considered an agricultural area of a holding that was watered or can be watered. Irrigated, in the contrary is an area that has been watered at least once during the growing season. It is evident that irrigated areas are always smaller or equal to the irrigable). Although, in the whole country, irrigated land constitutes 45.37% of the total of agricultural land in use and in neighboring regions, it constitutes much more (47.15% in Epirus, 50.82% in Thessaly and 54.17% in Central Macedonia), in the Region of Western Macedonia, the percentage is significantly lower: 24.19%.

Especially in Kozani and Grevena prefectures, the proportion of irrigated lands is even smaller: 22.37% and 10.83%, respectively! Equally low is the percentage of irrigated lands to the total of land in use. Even the swift to primary production needs to be conducted with modern methods in order to be sustainable, deploying, for instance, techniques of modern or “smart” agriculture.

However, one of the main obstacles to the development of the so-called “precision agricultural” (apart from the high cost, the lack of funding or technological support) is related to the educational level of the producers that are meant to achieve the objective.

In order to reverse these conditions that undermine any potential economic development, specific measures need to be taken, aiming the reinforcement of primary and secondary education. For instance, the number of pupils per classroom could be reduced, and thus the number of teachers to be increased, the implementation of personalized programs for pupils approach with a view to eliminate the dropout rate, increase teaching hours**,** differentiation of the teaching programs in order to adapt to the region’s conditions, etc.

The aforementioned plan could easily be implemented hand in hand with the investment in other activities, like clean energy, storage of energy, etc.

4. CONCLUSIONS

The aim of a "just transition" to the post-lignite era imposes the accompanying measures to have a broad time horizon. Essentially, the measures ought to be not inflexible and implemented all at once. Conversely, their efficiency shall be tested on a regular basis, through indexes and micro-data deriving either from ELSTAT surveys or administrative authorities, such as IARP (Independent Authority for Public Revenue). The target of a constant supervision and feedback shall be the intervention de novo, if deemed necessary**.** This principle is much more obvious because of the unpredictable economic conditions of 2021, due to the pandemic of Covid-19 and the "lock down".

For such planning to be effective, specific targets shall be established in the first place. For instance, unemployment to fall to the national average, the number of self-employed and small enterprises to remain at the level recorded in 31/12/2019 or according to the latest reliable recording, as well as income and consumption expenditure.

REFERENCES

[1] European Commission, 2018, EU Coal Regions: Opportunities and Challenges Ahead, Join Research Centre for Policy Report.