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Localizing Just Transition:
Perspectives from Southeast Asia

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Abstract

Just transition has gained increasing prominence in global climate discourse, yet its practical meaning varies significantly across regions. In Southeast Asia, where economies, governance systems, and social conditions are highly diverse, translating just transition principles into policy requires contextual sensitivity. This article examines how just transition is being understood and pursued across the region using the JUST framework, which integrates multiple dimensions of justice, alongside spatial and temporal considerations. Drawing on regional policy developments, legal frameworks, and selected country examples, the article highlights persistent gaps in procedural inclusion, uneven distribution of transition costs and benefits, and limited recognition of indigenous and vulnerable communities. It also underscores the importance of regional cooperation, rule-of-law institutions, and aligned financial systems in supporting fair and credible transitions. Rather than proposing a single pathway, the article frames just transition as an evolving process shaped by national priorities but grounded in shared principles of equity, participation, and responsibility. The findings suggest that embedding justice more firmly in energy governance is essential for an inclusive low-carbon future in Southeast Asia.

Key words: Just transition, Southeast Asia, JUST Framework, procedural, distributive, recognition, and cosmopolitan justice.

1. Introduction

Southeast Asia stands at the frontline of the global climate crisis.[1] Rising sea levels threaten coastal cities and small islands, extreme weather events are becoming more frequent and shifting rainfall patterns are putting pressure on food systems and water security.[2] These environmental risks intersect with deep socio-economic realities across the region, where millions of people still depend on climate-sensitive livelihoods such as agriculture, fisheries, mining, and informal urban work.[3] At the same time, many Southeast Asian economies remain structurally reliant on fossil fuels, extractive industries, and carbon-intensive development pathways.[4] This creates a difficult but unavoidable challenge: how to pursue climate action and decarbonization without worsening inequality, displacing livelihoods, or leaving vulnerable communities behind.[5,6]

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[1] See Joshua Busby, Todd G. Smith, Nisha Krishnan, Charles Wight, Santiago Vallejo-Gutierrez, In harm's way: Climate security vulnerability in Asia, World Development, Vol. 112, 2018, pp. 88–118, ISSN 0305-750X, https://doi.org/10.1016/j.worlddev.2018.07.007. See also Mely Caballero-Anthony, Julius Cesar Trajano, Alistair D. B. Cook, Nanthini D/O T Sambanthan, Jose Ma. Luis Montesclaros, Keith Paolo Landicho, Danielle Lynn Goh, CLIMATE CHANGE AND ITS IMPACT ON PEACE AND SECURITY IN SOUTHEAST ASIA, Centre for Non-Traditional Security Studies, S. Rajaratnam School of International Studies, Nanyang Technological University, Singapore, November 2023. https://www.rsis.edu.sg/wp-content/uploads/2024/01/UN-Report-RSIS-Climate-Change-and-Its-Impact-on-Peace-and-Security-in-Southeast-Asia-Online-Version.pdf

[2] Overland, I, et.al, 'The ASEAN Climate and Energy Paradox', Energy and Climate Change, Vol.2, 2021, https://doi.org/10.1016/j.egycc.2020.100019

[3] https://www.imf.org/en/publications/fandd/issues/2018/09/southeast-asia-climate-change-and-greenhouse-gas-emissions-prakash

[4] https://www.imf.org/en/publications/fandd/issues/2018/09/southeast-asia-climate-change-and-greenhouse-gas-emissions-prakash

[5] https://law.nus.edu.sg/apcel/wp-content/uploads/sites/3/2025/12/APCEL-PP-2501-Just-Transition.pdf

[6] https://www.unicef.org/press-releases/millions-children-southeast-asia-affected-relentless-climate-related-disasters

As governments across Southeast Asia commit to net-zero targets,[7] green growth strategies, and energy transition plans[8], the question is no longer whether a transition should happen, but how it should unfold. A purely technocratic or market-driven transition risks deepening existing social and economic divides, particularly in contexts where governance capacity, social protection systems, and access to finance remain uneven.[9] This is where the concept of a *just transition* becomes especially relevant. In the Southeast Asian context, just transition cannot be treated as a universal blueprint imported wholesale from the Global North. Instead, it must be grounded in local political economies, legal institutions, cultural norms, and development priorities.

At its core, a just transition is about fairness in the way societies move toward low-carbon futures.[10] It brings together ideas from climate justice, energy justice, and environmental justice—addressing who benefits, who bears the costs, who participates in decision-making, and whose voices are recognized.[11] For Southeast Asian policymakers, this translates into the complex task of shifting away from fossil fuels while safeguarding workers in carbon-intensive sectors, respecting indigenous and customary land rights, expanding access to affordable clean energy, and creating alternative livelihoods that are both dignified and sustainable.[12] The diversity of political systems and levels of economic development across the region further underscores why a one-size-fits-all transition model is neither realistic nor desirable.[13]

Localizing just transition in Southeast Asia therefore requires moving beyond high-level commitments and embedding justice principles into national laws, sectoral policies, and place-based implementation. While international frameworks—such as commitments under the Paris Agreement and guidance from the International Labour Organization—provide important normative direction, their impact ultimately depends on how they are translated into local governance structures and everyday practices.[14] A just transition must resonate with communities affected by coal phase-outs, hydropower development, and mineral extraction, and must reflect the region's shared aspiration for development that is inclusive, resilient, and equitable.[15]

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[7] Organisation for Economic Co-operation and Development (OECD), Towards Greener and More Inclusive Societies in Southeast Asia, OECD Publishing, Paris, 2025, https://www.oecd.org/en/publications/towards-greener-and-more-inclusive-societies-in-southeast-asia_294ce081-en.html.

[8] https://www.iea.org/reports/southeast-asia-energy-outlook-2024/executive-summary

[9] https://www.unglobalaccelerator.org/how-can-ecological-transition-drive-social-justice-and-fair-economic-opportunity#:~:text=%E2%80%9CA%20just%20transition%20for%20all,Programme%20on%20Just%20Transition%2C%20ILO.

[10] Garcia, A.C, "Transitions from Zero Carbon Futures: From just to Generous", Futures, Vol.162, 2024, https://doi.org/10.1016/j.futures.2024.103430

[11] Heffron, R.J. (2021). What is the "Just Transition"? In: Achieving a Just Transition to a Low-Carbon Economy. Palgrave Macmillan, Cham. https://doi-org.libproxy1.nus.edu.sg/10.1007/978-3-030-89460-3_2

[12] Id

[13] Barbara K. Buchner, Chapter 2: Designing Sustainability Policy, in Valentina Bosetti et. al, Modelling Sustainable Development, Edward Elgar Publishing, 2009, https://doi-org.libproxy1.nus.edu.sg/10.4337/9780857937148.00010

[14] Abram, Simone, et al., 'Just Transition: A whole-systems approach to decarbonization', 2022, Climate Policy, 22:8, 1033-1049, DOI: 10.1080/14693062.2022.2108365

[15] https://www.adb.org/sites/default/files/publication/901611/climate-finance-landscape-asia-pacific.pdf

Against this background, this study examines the state of just transition efforts in Southeast Asia through the lens of the JUST framework. By focusing on justice, universality, space, and time, it seeks to understand how global just transition principles are being interpreted, adapted, and operationalized within the region. In doing so, the paper highlights both opportunities and persistent gaps in aligning climate ambition with social justice, and underscores why localizing just transition is not only a moral imperative but a practical necessity for Southeast Asia's sustainable future.

This study advances the debate in two ways. First, it applies the JUST framework —focusing on Justice (procedural, distributive, recognition, and cosmopolitan), Universality and restorative justice, Space (the geographical contexts shaping energy transitions), and Time (the impacts of energy systems across generations) — to systemically review just transition efforts in SEA as a regional system. Second, it examines why global commitments to just transition, as articulated by the ILO, ETUC, and the Paris Agreement, need to be translated into locally embedded practices in SEA.

The article proceeds as follows: Section 2 introduces the JUST framework and related global policy foundations, Section 3 assesses how the framework is applied in SEA, and Section 4 concludes.

2. Conceptual Framework: Understanding Just Transition

2.1 Research in the Just Transition

The idea of a just transition has become increasingly visible and urgent. It is best understood as a broad societal transformation that seeks to balance climate action, socio-economic development, and rapid technological change, while ensuring that no one is left behind. This working definition captures the core challenge addressed in this paper: navigating complex and interconnected changes in a way that is fair and inclusive.

A flexible working definition is needed because there is no single, agreed understanding of what a just transition means. Spending too much time debating definitions risks delaying action, especially as climate impacts, inequality, and social exclusion continue to worsen. The urgency of these challenges calls for immediate progress, with definitions refined along the way and adapted to regional contexts such as SEA.

At the global level, the United Nations has been clear that the central principle of a just transition is leaving no one behind. While recent climate negotiations delivered mixed outcomes, parties did agree to develop a Just Transition Mechanism[16] to strengthen cooperation, capacity-building, and knowledge-sharing. Alongside these policy developments, research on just transition is expanding, though further study is still needed to support effective and equitable implementation.

[16] https://cop30.br/en/news-about-cop30/cop30-approves-belem-package1

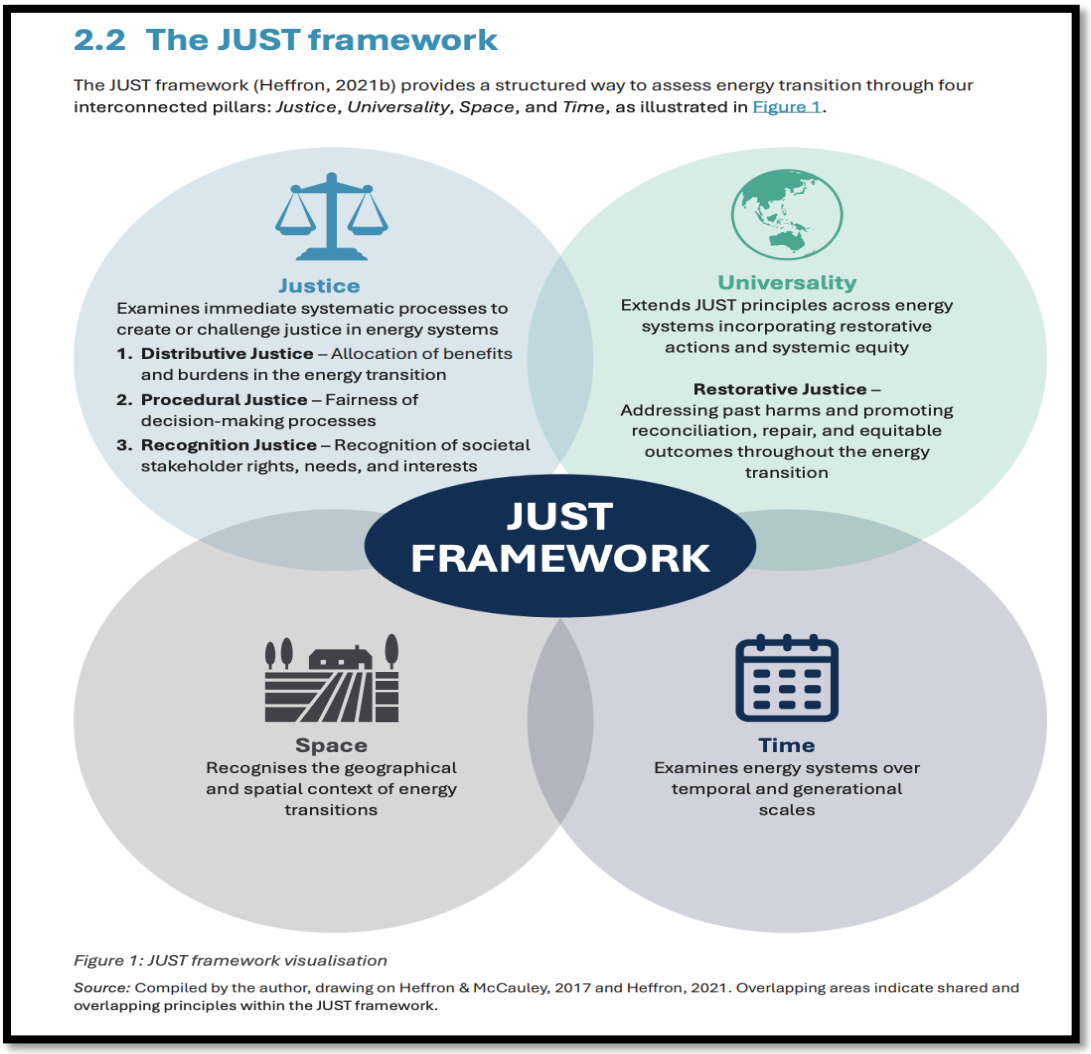
2.2 The Conceptual Framework

After the prognosis in the previous section which states that there is not one clear way to conceive of a concept for the just transition, we nevertheless are going to highlight what a leading framework in research literature is. As stated previously there are a plethora of different perspectives of a just transition framework but the one with most clarity and practicality is referred to as the *JUST Framework*.[17] The key advantage of the JUST framework is that it can be applied across different countries and even regions, as 'geography' is factored into the framework. Further and of high practical importance for policymakers is that finance is important too in the context that timelines are very important to achieving the goals of a just transition. For example, timelines give focus to policy delivery and create investor certainty allowing investors make key investment decisions that lead to a just transition.

The diagram below highlights the JUST Framework. It is centred on five principles of justice – distributive, procedural, restorative, recognition and cosmopolitan. Three of these are core justice principles and two focus on ensuring different voices are represented in the process. Then the issues are examined in terms of space which is the where, and then time which reflects how on the when and how much finance is needed to make it happen.

[17] Heffron, R. J., Merdekawati, M., Suryadi, B. and Yurnaidi, Z. 2024. Defining a 'Just Energy Investment' for the ASEAN Just Transition. Environmental and Sustainability Indicators, 22, 100367.

Figure 1: The Just Framework[18]



The five principles of justice are at the core of how a just transition can be delivered in the SEA region and these form the basis of interpreting how the rule of law can be supported in order to deliver on sustainable economic growth, and a just energy and climate transition; this is further discussed in following sections.

2.3 Regional Interpretation & the Just Transition: A Cosmopolitan Perspective

A central focus of this article is to see implementation of just transition in Southeast Asia. The JUST Framework proposed here highlights two equally important dimensions: recognition justice, which focuses on stakeholders within a country, and cosmopolitan justice, which extends responsibility beyond national borders. Cosmopolitan justice is especially relevant for Southeast Asia, where countries are closely interconnected economically, socially, and environmentally. It reflects the idea that governments, companies, and citizens have shared responsibilities not only to their own societies but also to the wider region—an ambition that sits at the core of ASEAN's

[18] P.12: https://acola.org/examining-just-energy-metrics-report/

vision. Viewing oneself as a regional and global citizen, rather than only a national one, is essential for advancing a fair and cooperative energy transition.

This perspective supports a regional interpretation of just transition, where approaches may differ across countries but are linked by common principles. The ASEAN Secretariat is well positioned to play a coordinating role, as reflected in initiatives such as the ASEAN Plan of Action for Energy Cooperation (APAEC) 2026–2030 and its focus on a Just and Inclusive Energy Transition.[19] At the same time, countries retain national responsibilities under UN processes to develop their own just transition plans. Differences in implementation are expected and acceptable; what matters most is that countries begin and commit to the process.

This article introduces the idea of a "just transition journey" to capture these varied pathways. Countries will progress at different speeds and stages, reflecting their development contexts. This diversity can be an advantage, helping attract a wider range of investors and encouraging cooperation across the region. In this way, applying cosmopolitan justice can generate shared benefits and strengthen SEA's collective transition toward a more equitable and sustainable future.

3. DISCUSSION

This study aims to shed light on how just transition efforts are unfolding in SEA, using the JUST framework as its guiding lens. It looks at ongoing transition initiatives in the region, alongside the role of the rule of law and the existing financial landscape. By examining these elements across the four interconnected pillars of the JUST framework, it offers an integrated assessment of energy transition processes in SEA.

3.1 Justice Framework in SEA's Just Transition

SEA's socio-economic landscape is shaped by rapid change. A growing middle class,[20] accelerated urbanization,[21] and deeper regional economic integration[22] are transforming how people live and work.[23] At the same time, the region's cultural diversity—rooted in rich indigenous traditions and centuries of influence from Indian, Chinese, Malay, and European histories—continues to evolve alongside a shared sense of "ASEAN identity."[24] Environmentally, SEA faces serious pressures, including climate change, industrial and agricultural pollution, and the ecological impacts of large-scale development. Many SEA countries are now showing stronger commitment to green transitions and sustainable development.[25] In this context, a strong rule of

[19] https://aseanenergy.org/topics/just-and-inclusive-energy-transition
[20] Bunnell, T., Kong, L., & Law, L. (2005). Country reports: Social and cultural geographies of South-East Asia. *Social & Cultural Geography*, *6*(1), 135–149. https://doi.org/10.1080/1464936052000335017
[21] Epprecht, M., Heinimann A.l, et al., Global Change and Sustainable Development: A Synthesis of Regional Experiences from Research Partnerships. Perspectives of the Swiss National Centre of Competence in Research (NCCR) North-South, University of Bern, Vol. 5. Bern, Switzerland: Geographica Bernensia, pp 371–384. https://files.core.ac.uk/download/pdf/33034428.pdf
[22] Maramis, L., ASEAN's Socio-cultural Community: Integrative Chapter for Volume Four, https://www.eria.org/ASEAN_at_50_4B.0_Maramis_final.pdf
[23] Sulistiyo, E., ASEAN in the Middel of Green Mineral Geopolitical Crossroad, Investor Daily, 31 Oct 2025. https://investor.id/investory/415621/asean-di-persimpangan-geopolitik-mineral-hijau
[24] Ibid.
[25] https://www.eria.org/ASEAN_at_50_4B.0_Maramis_final.pdf

law is widely recognized as a crucial foundation for advancing a just, equitable, and orderly shift toward clean energy. [26]

Yet assessing just transition in Southeast Asia is far from straightforward. One challenge lies in defining and measuring the rule of law itself, a concept that remains contested in both theory and practice. [27] Another is the region's striking diversity: levels of legal certainty, governance quality, and institutional strength vary widely across countries. This uneven landscape makes regional comparison difficult and limits how far general conclusions can be drawn. Existing approaches, such as the World Bank's World Governance Indicators and the World Justice Project,[28] offer useful insights by tracking public confidence in and compliance with societal rules. Their data highlight significant disparities across Southeast Asia. In several energy-intensive countries—such as Indonesia, the Philippines, and Vietnam—rule-of-law scores remain relatively low, reflecting the governance tensions that often accompany energy transitions. These realities underscore the need to strengthen legal and institutional foundations as part of a just transition that is both credible and inclusive.

Figure 2 WGI Rule of law Index

Indicator	Country	Year	Number of Sources	Governance (-2.5 to +2.5)	Percentile Rank	Standard Error
Rule of Law	Brunei Daru..	2023	4	0.89	79.25	0.21
	Cambodia	2023	12	-0.82	23.58	0.16
	Indonesia	2023	12	-0.15	46.70	0.16
	Lao PDR	2023	10	-0.83	22.64	0.18
	Malaysia	2023	10	0.57	67.45	0.17
	Myanmar	2023	9	-1.62	6.13	0.17
	Philippines	2023	12	-0.42	37.26	0.16
	Singapore	2023	11	1.75	98.11	0.16
	Thailand	2023	10	0.24	57.55	0.17
	Timor-Leste	2023	8	-0.83	21.70	0.19
	Viet Nam	2023	11	-0.09	50.47	0.17

Source: Worldwide Governance Indicators, 2024 Update, World Bank (www.govindicators.org), Accessed on 10/30/2024.

3.1.1. Procedural Justice

Assessing procedural justice in SEA's just transition efforts highlights the importance of inclusive, transparent, and participatory decision-making. [29] Yet, achieving this remains a significant challenge in the region.[30] Public participation is often limited, as many SEA countries lack robust mechanisms for meaningful stakeholder engagement in energy transition planning. [31] For instance, fossil fuel-dependent recovery plans in Indonesia and other nations have been developed with

[26] Asian Development Bank. (n.d.). *Powering forward: Four ways to harness the rule of law for a just energy transition*. Asian Development Bank Blog

[27] Huda, M. S. (2025). *Towards a just energy transition in Southeast Asia* (Issue 35). ISEAS–Yusof Ishak Institute.

[28] See Worldwide Governance Indicators, 2024 Update, World Bank (www.govindicators.org), Accessed on 10/30/2024. See also World Justice Project, The 2025 WJP Rule of Law Index®, www.worldjusticeproject.org.

[29] https://law.nus.edu.sg/apcel/media/apcel-conference-explores-a-just-transition-in-southeast-asia/

[30] McCauley, D., Pettigre, K., Building a just transition in asia-pacific: Four strategies for reducing fossil fuel dependence and investing in clean energy, Energy Policy, Vol. 183, Dec 2023. https://doi.org/10.1016/j.enpol.2023.113808

[31] https://law.nus.edu.sg/apcel/media/apcel-conference-explores-a-just-transition-in-southeast-asia/

minimal input from affected communities.[32] Additionally, governance gaps persist. Weak institutional frameworks and centralized decision-making structures undermine procedural fairness. In Thailand, stakeholders have pointed out the absence of clear national policies and inclusive consultation processes for phasing out fossil fuels.[33]

Advancing procedural justice therefore requires inclusive multi-stakeholder dialogue.[34] In SEA, various reports emphasize the importance of expanding public discourse and enhancing civil society participation to ensure that energy transition policies incorporate diverse viewpoints[35]—particularly those of marginalized communities.[36] As a matter of fact, most of Indonesia's national strategies mention the importance of inclusive engagement.[37] For example, the 2023 Just Energy Transition Partnership (JETP) proposes establishing a mechanism to effectively manage disclosure and communication across JETP stakeholders including the government and its relevant institutions, the private sector, and civil society organizations, etc.[38] Though, it shows that the requirement of public participation is normatively embedded in Indonesian national strategies, the existence of such commitments does not necessarily ensure meaningful participation by the public in practice. In summary, even if it is fundamental for achieving a just transition and requires sustained commitment from all stakeholders, procedural justice remains largely aspirational and rather underdeveloped in the region.

3.1.2. Distributive Justice

Distributional justice emphasizes the fair sharing of both the advantages and disadvantages associated with the energy transition. In SEA, this principle is particularly relevant in addressing the tension between job creation and job displacement.[39] While the shift toward renewable energy has the potential to generate millions of new jobs, the phasing out of coal poses significant risks to employment in fossil fuel-dependent sectors.[40] These effects are not evenly spread, with disparities evident across different countries and communities.[41]

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[32] Sumarno, T., et al., Exploring Indonesia's energy policy failures through the JUST framework, Energy Policy, Volume 164, May 2022. https://doi.org/10.1016/j.enpol.2022.112914

[33] Kanchana, K., Comparative Approaches to Energy Transition: Policy Guideline for enhancing Thailand's Path to a Low Carbon Economy, Energies 2024, 17(22), 5620, https://doi.org/10.3390/en17225620

[34] Ruano-Chamorro, C., et al., Advancing procedural justice in conservation, Conservation Letters, Volume 15, Issue 3, May/June 2022. https://conbio.onlinelibrary.wiley.com/doi/10.1111/conl.12861

[35] Ba, Y., & Sun, Z. (2025). Empowering change: implementation of civil society climate actions in Southeast Asia. *Climate Policy*, 1–15. https://doi.org/10.1080/14693062.2025.2525508

[36] Huda, M.S., 2025/35 "Towards a Just Energy Transition in Southeast Asia", ISEAS Perspective, Issue: 2025 No.35. https://www.iseas.edu.sg/wp-content/uploads/2025/04/ISEAS_Perspective_2025_35.pdf

[37] Bößner, S., Zhu, H., Deitsch, C., & Babis, W. (2025). Energy transition policies in southeast Asia and China: scoping out the 'just' aspect. Stockholm Environment Institute. https://doi.org/10.51414/sei2025.030

[38] See Ibid. See also JETP Secretariat. (2023). *Just Energy Transition Partnership Indonesia: Comprehensive Investment and Policy Plan 2023*. Republic of Indonesia. https://jetp-id.org/storage/official-jetp -cipp-2023-vshare_f_en-1700532655.pdf

[39] Ibid.

[40] https://www.iea.org/commentaries/the-importance-of-focusing-on-jobs-and-fairness-in-clean-energy-transitions

[41] Huda, M.S., 2025/35 "Towards a Just Energy Transition in Southeast Asia", ISEAS Perspective, Issue: 2025 No.35. https://www.iseas.edu.sg/wp-content/uploads/2025/04/ISEAS_Perspective_2025_35.pdf

Labour transition is, therefore, a critical dimension of distributive justice. Among SEA countries, the Philippines provides one of the clearest examples at legal and policy level. They introduced a major piece of legislation entitled the Philippines Green Jobs Act of 2016.[42] This Act defines the green job as " employment that contributes to preserving or restoring the quality of the environment" and " decent jobs that are productive, respect the rights of workers, deliver a fair income, provide security in the workplace and social protection for families, and promote social dialogue."[43] And it provides the legal toolbox for green jobs transitioning, enabling job creations and maintenance in the emerging green economy by identifying needs of new skills, developing training programs and provide certificates for workers in industries related to sustainable development.[44] The government has tasked the Department of Energy (DOE) and the DOLE with implementing a national "Rightskilling" initiative to prepare their workforce for the transition.[45] While the legal framework and multiple policy commitments indicate that the Philippines is beginning to embed labour reskilling and workforce development into its just transition strategy, although the effectiveness of implementation remains to be assessed.

On the other hand, the region faces pronounced inequalities in energy access. Rural and economically disadvantaged populations often struggle to obtain clean energy technologies, whereas urban areas tend to benefit more from infrastructure development and investment.[46] Moreover, financial disparities are also found the region. Countries like Cambodia[47] and Lao PDR[48] score low on policy indicators related to equitable energy access and affordability, highlighting regional disparities in transition readiness.[49] Furthermore, countries in SEA vary significantly in their levels of development and institutional capacity.

3.1.3. Recognition Justice

Recognition justice demands that climate solutions be grounded in human rights, equality, and non-discrimination, ensuring accountability and redress for those most affected, who are often indigenous people. Environmental harms and climate vulnerabilities in SEA are inherently transboundary, therefore, the rule of law in this region informed by cosmopolitan justice requires the ASEAN Member States not only protect rights within their jurisdictions but also cooperate to prevent cross-border environmental harm.

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[42] International Energy Agency. (2023, August 2). *Philippines' Green Jobs Act of 2016*. https://www.iea.org/policies/17824-philippines-green-jobs-act-of-2016

[43] Section 4(c), the Philippines Green Jobs Act of 2016. Republic Act No. 10771 https://www.officialgazette.gov.ph/2016/04/29/republic-act-no-10771/

[44] Climate Investment Funds. (n.d.). *Green Jobs Act, Philippines*. In *Just transition planning toolbox: Module 4.1.1 – Employment impacts*. https://www.cif.org/just-transition-toolbox/example/green-jobs-act-philippines

[45] Ibid.

[46] Ahmed, M, et al., Barriers to just energy transition: Institutional and infrastructure challenges in developing countries, Sustainable Futures, Volume 10, December 2025. https://doi.org/10.1016/j.sftr.2025.101414

[47] Mika, K., Minna, M., Noora, V. *et al.* Situation analysis of energy use and consumption in Cambodia: household access to energy. *Environ Dev Sustain* **23**, 18631–18655 (2021). https://doi.org/10.1007/s10668-021-01443-8

[48] https://www.eria.org/uploads/10_Part_2-Ch_9_Renewable_Electricity_and_Energy_Transistion.pdf

[49] Bößner, S., et al., Stockholm Environment Institute (SEI), Energy Transition policies in Southeast Asia and China: Scoping out the 'just' aspect, SEI Report, June 2025

The ASEAN Declaration on the Rights to a Safe, Healthy, Clean, and Sustainable Environment is a good progress, but it is not without flaws. Firstly, as a declaration, the document is not legally binding towards the signatory states, and secondly, it contains notable protection gaps. Civil society groups and NGOs across the region have rightly raised concerns about the absence of safeguards for environmental defenders against Strategic Lawsuits Against Public Participation (SLAPP) and other forms of harm frequently directed at them.[50]

Furthermore, the region carries varied environmental and legal frameworks in many different forms and shapes. Indigenous land rights and/or customary laws may also require special considerations in some countries. Governance structures and environmental conditions are also very different in SEA. On top of that, the notion of equity and justice might even be different from one area to the other.[51] Tailoring solutions which ensure inclusion of vulnerable groups is a must in this regard.

3.2 Universality & Restorative Justice

3.2.1. Universality

The United Nations Framework Convention on Climate Change (UNFCCC), guided by the principle of *common but differentiated responsibilities*, consistently emphasizes equity and justice as the moral compass for climate research, policy, and action. As a region where all member states are parties to both the UNFCCC and the 2015 Paris Agreement, SEA is actively working to translate these principles into practice.

Governments across SEA are giving growing attention to a just energy transition as part of their development and climate agendas. Regional frameworks like the ASEAN Plan of Action for Energy Cooperation and commitments under the Paris Agreement are guiding efforts to balance economic growth with environmental protection and social fairness. Countries such as Indonesia[52] and Vietnam[53] are embedding climate goals into national development plans, linking energy reforms with inclusive growth and long-term low-carbon strategies. Despite this progress, major challenges remain. Many governments still face financing gaps[54], coordination difficulties across institutions[55], and the risk that transition policies may not be inclusive and equitable[56].

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[50] Sulistiawati, LY, 2025, https://en.tempo.co/read/2066270/safe-clean-sustainable-is-aseans-new-declaration-enough.

[51] (https://doi-org.libproxy1.nus.edu.sg/10.1016/j.rser.2022.112226)

[52] https://unfccc.int/sites/default/files/2025-10/Indonesia_Second%20NDC_2025.10.24.pdf

[53] https://www.mckinsey.com/capabilities/sustainability/our-insights/charting-a-path-for-vietnam-to-achieve-its-net-zero-goals

[54] https://www.mckinsey.com/capabilities/sustainability/our-insights/charting-a-path-for-vietnam-to-achieve-its-net-zero-goals

[55] https://www.iea.org/reports/an-energy-sector-roadmap-to-net-zero-emissions-in-indonesia/executive-summary

[56] https://iesr.or.id/en/indonesian-government-prepares-roadmap-for-clean-net-zero-industry-by-2050/

In SEA, the private sector is increasingly seen as vital to a just transition, especially in mobilizing climate finance. [57] ASEAN reports call for stronger data, regulations, and institutions to guide sustainable investment. [58] While companies are beginning to adopt ESG standards, they remain cautious about profitability and regulatory uncertainty.[59] At the same time, civil society groups push for transparency, participation, labor rights, and community resilience, stressing that justice must go beyond technical fixes. [60]

3.2.2. Restorative Justice

In the context of SEA's just transition, restorative justice[61] includes unresolved damage caused by fossil fuel activities—such as pollution, land degradation, and displacement—that has yet to be adequately compensated or remediated. [62] Indigenous and local communities, who often bear the brunt of these environmental impacts, are frequently excluded from energy planning processes.[63] Justice-oriented frameworks emphasize the importance of recognizing these in justices and incorporating traditional knowledge into sustainable solutions.

Taking the Philippines as an example, their legislation may have provided robust protections for indigenous communities, but in reality, these rights are not so well implemented as shown in the State of Indigenous Peoples Address 2023 Report which exemplifies multiple ongoing harms that indigenous peoples face from energy transition projects which requires restorative justice measures.[64] According to Section 7(a) of the Indigenous Peoples' Rights Act (IPRA), indigenous peoples' ownership of ancestral domains must be recognized and protected.[65] Yet in reality, as the report shows, indigenous people must suffer delays and ignorance.[66]

In Indonesia, customary law is part of the legal pluralism acknowledge by the Indonesian Constitution of 1945. Article 33 (3) of the 1945 Constitution states that natural resources are controlled by the state for the greatest prosperity of the people. Law on Environmental Protection

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[57] McCauley, D., Pettigre, K., Building a just transition in asia-pacific: Four strategies for reducing fossil fuel dependence and investing in clean energy, Energy Policy, Vol. 183, Dec 2023. https://doi.org/10.1016/j.enpol.2023.113808

[58] https://asean.org/wp-content/uploads/2025/04/ASCC-RD_Trend-Report_CC-9-2025.pdf

[59] https://asean.org/wp-content/uploads/2025/04/ASCC-RD_Trend-Report_CC-9-2025.pdf

[60] https://law.nus.edu.sg/apcel/media/apcel-conference-explores-a-just-transition-in-southeast-asia/

[61] Van Bommel, N., et al., The urgency of climate action and the aim for justice in energy transitions – dynamics and complexity, Environmental Innovation and Societal Transition, Volume 48, September 2023. https://doi.org/10.1016/j.eist.2023.100763

[62] Huda, M.S., 2025/35 "Towards a Just Energy Transition in Southeast Asia", ISEAS Perspective, Issue: 2025 No.35. https://www.iseas.edu.sg/wp-content/uploads/2025/04/ISEAS_Perspective_2025_35.pdf

[63] Carling, J., Human Rights and Indigenous Peoples in Just Energy Transition, 14 Aug 2024. https://iprights.org/index.php/en/all-news/human-rights-and-indigenous-peoples-in-just-energy-transition#:~:text=The%20failure%20to%20obtain%20genuine,serious%20threats%20to%20indigenous%20peoples.

[64] Legal Rights and Natural Resources Center – Kasama sa Kalikasan / Friends of the Earth Philippines. (2023). State of Indigenous Peoples Address 2023 report. https://www.lrcksk.org/_files/ugd/dc2292_1ccc60a6346b4d849dfb1a4b9d8b3f1a.pdf

[65] Indigenous Peoples' Rights Act (RA 8371), Section 7 (a).

[66] Legal Rights and Natural Resources Center – Kasama sa Kalikasan / Friends of the Earth Philippines. (2023). State of Indigenous Peoples Address 2023 report, at 25-26.

and Management also provides provisions on environmental management within the context of human development goals. However, its application can be inconsistent, particularly in cases influenced by economic or political interests.[67] The Job Creation Law (Law No. 6 Year 2023) emphasizes objectives of investment facilitation and economic development shows the ongoing gap between the regulations.[68]

3.1. Space: Recognizing Geographical and Spatial Context of Just Transition in SEA

SEA is a strategic hub for green mineral resources. The region also must keep in mind the spatial distribution of natural resources. Indonesia holds the world's largest nickel reserves, Malaysia possesses significant deposits of rare earth elements, Thailand is advancing its battery manufacturing industry, and Vietnam is positioning itself as a major producer of electric vehicles.[69] As global demand for nickel, lithium, and rare earth materials intensifies, SEA has emerged as a central arena in the 21st-century economic competition, with these critical minerals driving the region's economic and geopolitical significance.[70] Many communities and economies rely on coal production, hydropower, and industries that are concentrated in mines, power plants, dam sites with sometimes disproportionate to their environmental and social cost, while the benefits of energy consumption flow elsewhere. Recognizing spatial context means addressing these localized burdens, supporting workers and communities, and creating locally based just transition strategies.

Achieving a just and inclusive low-carbon transition in SEA requires unprecedented investment in clean energy, resilient infrastructure, and adaptive social systems. Within days of the Washington signed 0% entry tariffs for Thailand, Malaysia, and Cambodia,[71] Beijing signed the upgraded ASEAN-China Free Trade Area 3.0.[72] Regardless of the promises made by these world's two largest economies, it is ultimately up to the ASEAN Member States to determine how to shape the future of the region.

Financial institutions are central actors in directing these capital flows. Their lending policies, investment criteria, and stewardship practices largely determine whether decarbonization proceeds in a socially equitable manner.[73] When aligned with Just Transition principles, finance can generate green employment, enable workforce reskilling, support community involvement and benefits, and expand access to affordable energy. Conversely, misaligned financial flows risk entrenching inequality and social dislocation, undermining both policy stability and asset value.[74]

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[67] Sulistiawati, LY, Halfway There: Indonesia's Adat Law towards Right of Nature Frameworks, Case-Based Reflections from Indonesia, the Philippines, and Malaysia, in Batar Amit Kumar (ed), *Diverse Indigenous Knowledge for Sustainability: Perspectives, Challenges, and Opportunities*, Cambridge University Press (2026 upcoming).
[68] Id.
[69] ERIA 2024.
[70] Sulistiyo, E., ASEAN in the Middel of Green Mineral Geopolitical Crossroad, Investor Daily, 31 Oct 2025.
[71] https://www.idnfinancials.com/news/58220/us-now-grants-0-tariff-to-thailand-malaysia-and-cambodia
[72] https://www.reuters.com/world/asia-pacific/china-asean-sign-upgraded-free-trade-pact-2025-10-28/
[73] See Goud, B. (2025). *Where do financial institutions fit into the just transition?* RFI Foundation. See also Beal, D. (2023). *Banks could hold the key to an equitable climate transition*. World Economic Forum.
[74] Asia-Pacific Centre for Environmental Law. (2025). *APCEL Conference on a Just Transition in Southeast Asia* (7 August 2025).

The World Economic Forum (2023) emphasizes that "placing people and communities at the centre of transition plans" is essential for securing legitimacy and long-term momentum.[75]

In SEA, the integration of ESG factors into lending and investment decisions – systematically assessing how issues such as climate risk, labor performance, and corporate governance affect financial performance and risk – is advancing rapidly. Singapore, Malaysia, Thailand, Indonesia, and the Philippines have reinforced sustainability frameworks through updated reporting rules, roadmaps, and taxonomies that reflect both global standards and local realities.[76] The region is shifting from a compliance-driven approach to one focused on value creation, with sustainability information increasingly expected to be decision-useful, comparable, and integrated into strategic planning.[77] This evolution signals a broader recognition that ESG integration—when inclusive of social and human rights dimensions—is not only a regulatory requirement but a cornerstone of long-term financial stability and equitable economic growth.

3.2. Time: Energy Systems across Temporal and Generational Scale

SEA energy demand is growing rapidly, driven by economic expansion, population growth, and surging use of air conditioners in the region.[78] This rise in energy demand over the last two decades has been met primarily by fossil fuels.[79] In 2023, coal generated half of the region's electricity, accounting for 80% of power sector emissions, while also meeting 30% of industrial energy demand, including a rise in nickel production in Indonesia. SEA stands out as one of the few regions, alongside the Middle East, where GDP and emissions continue to rise in tandem, a sign that SEA's economic development remains very carbon intensive.[80] Addressing energy systems across temporal and generational scales means balancing immediate development needs with long term sustainability and- ensuring that both current and future generations share fairly in the benefits and burdens of SEA's energy transition.

Advancing a Just Transition in SEA requires moving beyond isolated initiatives toward a more integrated approach that links climate ambition with social inclusion. While recent developments—such as the progression of the ASEAN Taxonomy,[81] the launch of blended-finance initiatives like Singapore's FAST-P programme[82], and the continued evolution of JETPs in Indonesia and Vietnam[83]—signal growing regional momentum, they also reveal the limits of current arrangements. Funding for social protection, skills development, and community resilience

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[75] Beal, D. (2023). *Banks could hold the key to an equitable climate transition*. World Economic Forum.
[76] See Sustainable Fitch. (2024). *Significant progress in ESG policies across South-East Asia*. See also ERM. (2025). *ESG in Southeast Asia: From compliance to value creation*. https://arimi.org/esg-southeast-asia-compliance-to-value-creation/
[77] ERM. (2025). *ESG in Southeast Asia: From compliance to value creation*. https://arimi.org/esg-southeast-asia-compliance-to-value-creation/
[78] https://www.iea.org/reports/southeast-asia-energy-outlook-2024/executive-summary
[79] https://doi-org.libproxy1.nus.edu.sg/10.1016/j.rser.2022.112226
[80] https://www.iea.org/reports/southeast-asia-energy-outlook-2024/executive-summary
[81] ASEAN Taxonomy Board. (2023 & 2025). ASEAN taxonomy for sustainable finance (Versions 2 and 4). https://asean.org
[82] International Finance Corporation. (2024). *BlackRock and the Monetary Authority of Singapore (MAS) spearhead collaboration to unlock investment opportunities in decarbonisation in Asia*. https://www.ifc.org
[83] Transition Investment Lab. (2025). *Sustainable finance in Southeast Asia: Approaching an inflection point*. https://transitioninvestment.com

remains inadequate, and institutional capacity to implement transition measures is uneven across the region.[84]

Embedding justice within financial and policy frameworks demands attention to three interconnected dimensions: distributive justice, procedural justice, and restorative justice. In practice, this means aligning capital allocation, risk assessment, and stewardship with social outcomes, while integrating social risks into ESG and credit analysis and strengthening transparency and measurement frameworks.[85]

Scaling just transitions also depends on stronger public–private collaboration. Governments need coherent policy signals, fiscal reform, and cross-ministerial coordination to finance reskilling, social protection, and regional development. [86] Investors and financial institutions can reinforce these efforts through stewardship and by encouraging place-based, time-bound strategies that anticipate labour-market shifts and support affected communities. [87]

A genuinely just transition requires investing in people as much as in infrastructure. Expanding vocational training, strengthening social protection, and improving data and indicators are essential to ensuring that climate action supports job creation, poverty reduction, and inclusive growth. Ultimately, the transition to a low-carbon economy in SEA is both an ethical imperative and a financial necessity.

Seen through a generational lens, energy transitions raise important questions about fairness between present and future generations. Continued dependence on fossil fuels pushes long term environmental and climate risks onto those who will come after us—an issue that is particularly pressing in SEA, where many communities already face sea level rise, extreme heat, and more frequent extreme weather events. A just transition therefore places responsibility on today's decisionmakers to invest in resilient, low carbon energy systems that safeguard the wellbeing of future generations, while also ensuring that current populations—especially low income and energy poor communities—are not left behind.

4. Conclusions

Achieving a just transition in Southeast Asia requires governments and key stakeholders to focus more strongly on procedural justice through inclusive governance and genuine public participation. Long-standing inequalities in energy access are made worse by financial gaps, making it essential to recognize and protect the rights of indigenous peoples, local communities, and other vulnerable groups. Regional initiatives such as the ASEAN Declaration on the Right to

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[84] ERM. (2025). ESG in Southeast Asia: From compliance to value creation. https://arimi.org/esg-southeast-asia-compliance-to-value-creation/; See also Sustainable Fitch. (2024). *Significant progress in ESG policies across South-East Asia*. https://www.sustainablefitch.com

[85] Just Transition Compass. (2025). *Just Transition Compass: A framework for action and international coordination—Key findings and recommendations on financing, governance, and implementation*.

[86] Asia-Pacific Centre for Environmental Law. (2025). *APCEL Conference on a Just Transition in Southeast Asia* (7 August 2025)

[87] Asia Investor Group on Climate Change. (2025). *Place-based just transition policy baseline and case studies*. https://aigcc.net

a Safe, Clean, Healthy, and Sustainable Environment and the APAEC can guide countries in advancing fair, people-centred, and restorative approaches across the region.

Just transition efforts should be firmly embedded in national and regional energy policies, backed by international cooperation and adequate financing. While the meaning of transition varies across contexts, it is best understood as an ongoing process grounded in principles of recognition, participation, fairness, repair, and shared responsibility. Global frameworks offer useful direction, but each country must shape its own pathway based on local realities. Despite different starting points, Southeast Asian countries share a common goal: transitions that are inclusive, equitable, and leave no one behind.