

REAL-WORLD SCENARIO

APPLYING A DISTRIBUTIVE JUSTICE LENS



Wind farm

A renewable energy company plans to build a new wind farm in a rural area to supply electricity to the national grid. The project involves land acquisition, new infrastructure, and decisions about hiring, procurement, and benefit sharing.

*This scenario brief forms part of a series of resources by IHRB on **Distributional Justice and the Role of Business**, which examines how to operationalise fairness in the energy transition to support private sector decision making.*

1. Decision and Transition Context

A renewable energy developer plans to build a 120 MW onshore wind farm in a rural, agricultural area. The project is part of a national push to:

- replace ageing coal capacity,
 - stabilise electricity supply,
 - meet emissions targets under international commitments.
- The site is attractive because of:
- strong wind resources,
 - proximity to a transmission corridor,
 - relatively low land prices.

- At the same time:
- coal job losses are unfolding in other regions,
 - renewable build-out is happening faster than local skills systems can adapt,
 - communities hosting infrastructure are under pressure to “carry” transition costs.

2. Distributional Context

- Most households rely on small-scale farming and grazing.
 - Land is used seasonally and informally; tenure is weakly documented.
 - Youth unemployment is high; few residents have formal technical qualifications.
 - Women’s livelihoods depend on access to land, water points, and nearby markets.
- Electricity access is unreliable and expensive.
 - Community experience of previous infrastructure projects in the area reported:
 - temporary disruption,
 - limited long-term local benefit,
 - poor communication.

3. Distributive Justice Risks Arising From Pending Decision

Land and livelihood risks:

- Turbines and access roads cut across grazing routes.
- Loss of agricultural plots during construction.
- Reduced flexibility for seasonal land use.

Employment mismatch:

- Construction jobs require skills not available locally.
- Local residents risk watching outsiders take jobs on their land.

Uneven benefit flows:

- Power feeds into the national grid.
- Local communities see disruption, but not lower bills or stable jobs.

Procurement exclusion:

- Local businesses lack certification and scale.
- Contracts likely to go to firms from outside the area.

Timing risks:

- Land disruption happens immediately.
- Promised benefits are tied to future phases or revenues.

4. Company Response

Participation and recognition:

- The company maps who uses the land, not just who owns it.
- Separate engagement sessions held with:
 - farmers,
 - grazing associations,
 - women’s groups,
 - youth.
- Turbine locations adjusted to avoid key grazing routes.

Transparency and justifiability:

- The company publishes:
 - how the site was chosen,
 - how many jobs exist at each phase,
 - clear hiring and procurement criteria.
- Managers explain why some requests (e.g. more permanent jobs) cannot be met.

Sequencing and timing:

- Training programmes start before construction.
- Compensation and livelihood support are paid before land access begins.
- Benefits are not framed as dependent on uncertain future revenues.

5. Distributive Justice Outcomes

Mitigating harms:

- A grievance mechanism is in place before ground is broken.
- Land access agreements include:
 - compensation for lost use, not just land value,
 - temporary grazing alternatives during construction.

Creating and sharing benefits:

- Skills and jobs:
 - Training delivered with a local college and nearby employers.
 - Focus on transferable skills (electrical, logistics, safety), not only wind jobs.
- Economic participation:
 - Procurement thresholds adjusted to allow local suppliers to compete.

- Supplier development support provided.
- Community benefits:
 - A community equity stake is created with independent governance.
 - Revenues are earmarked for locally agreed priorities.
 - Subsidised electricity access for nearby households is rolled out early.

Collaboration:

- Training aligned with other regional employers, not just the wind farm.
- Coordination with local government on land use and energy access.
- Engagement with other renewable operators to share skills pipelines.