THE IMPERATIVES FOR A JUST TRANSITION IN SOUTH AFRICA

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The imperative for a just transition in South Africa

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The transition to a low carbon economy is well underway globally, partly accelerated by the rapid decline in the cost of renewables, indicating that a shift away from fossil fuels is indeed possible. However, for some stakeholders and communities, a move away from fossil fuels might entail significant job losses and a potential loss of livelihoods. For example, South Africa, one of Africa's largest economies is highly dependent on coal, with the sector employing close to 90,000 of the labour force. Considering the high levels of unemployment in the country, any transition plans that do not include significant job creation is guaranteed to fail. This is especially so, because South Africa has very strong Labour Unions, who will derail any plans to shift away from fossil fuels.

To achieve a just transition requires active encouragement of decarbonisation, avoidance of carbon lock-in, and bottom up approaches that support vulnerable communities impacted by the transition. An effective just transition pathway should promote the creation of more decent jobs, anticipating impacts on employment, adequate and sustainable social protection for job losses and displacement, skills development, protecting citizens and economic sectors against worst impacts of climate change and meeting climate targets etc. (Burton et al, 2019; Reitzenstein et al, 2018).

Attaining these milestones requires that the benefits and costs of the transition are fairly and equitably distributed to ensure that the transition does not cause loss and hardship, while creating economic opportunities especially in vulnerable communities.

SUSTAINABLE ENERGY

This is particularly important for Africa, considering that more than 35% of Africans still live in extreme poverty which represents 70% of global poverty rates (Cuaresma et al 2018). Linked to that is the fact that 600 million people on the continent lack access to reliable energy to meet their basic needs (IEA 2019).

For South Africa the risk of climate change is quite evident, with increased incidents of extreme events, posing a major threat to its economy, including water resources, food security, health, infrastructure, as well as the country's ecosystem services and biodiversity (Ziervogel et al (2014). The challenges South Africa faces are partly attributable to climate change, with extreme events projected to become more intense and frequent over time. Climate change thus has the potential to generate a vicious cycle of increasing poverty and vulnerability, worsening inequality amongst vulnerable and marginalised groups (United Nations, 2020). Vulnerable members of society such as those living with disabilities, elderly, children and the unemployed are the most impacted by the impacts of climate change.

South Africa has made some strides in the energy transition by mobilising investments for the uptake of renewable energy technologies, however, some sectors of the economy are still lagging behind. For example, sectors such as the transport sector and manufacturing are yet to see any major uptake in green technologies. On the other hand, the country's economy still remains locked in high dependency on coal-powered electricity, which is neither reliable nor cheaper, hence there is a strong need for the country to transition to a low carbon economy. While poverty, inequality and unemployment remain very high. It is estimated that South Africa will require at least US$250 billion in the next three decades to transform the energy system, while more finance will be needed for the country to transition to fully low carbon development (PCC, 2022).

The risk of just transition to workforce and local communities

In addition to high unemployment there is a growing concern about the potential job losses in sectors such as the coal industry value chain, agriculture, tourism etc. The coal sector value chain is an important sector in terms of job creation in South Africa. However, recent statistics reveal that the coal sector is declining, and the projections reveal that the sector will continue to decline. The coal industry employs many unskilled workforce. In the 1980s the coal mining industry was contributing around 140, 000 direct jobs, and this number had since decreased to nearly 77, 000 direct jobs in 2015 (Strambo et al, 2019; Hanto et al, 2021). In 2021, the coal mining industry provided around 0.4 million jobs for South Africa's workforce, with 80 000 direct jobs, while creating 200 000 – 300 000 in indirect and induced jobs in the broader coal value chain and economy (NBI, 2021). This shows that jobs in the coal mining industry are receding significantly and even the current existing jobs are at risks due to South Africa's decarbonisation efforts.

The just transition in South Africa will also lead to stranded communities where there will be massive job losses in the short term. For instance, provinces such as Mpumalanga where significant coal mining operations take place will experience challenges due to the labour force dependency on coal mining. For example, our fieldwork and research in Mpumalanga in local communities which are located around the recently decommissioned Komati Power Station found that there was much anxiety about the safety of jobs, especially for workers that are contracted to supply Eskom. The challenge is that the workers that are affected by the transition plans in the coal mining regions are relatively young people with a median age of 38 years. This means that these workers will not want to retire as they will need to work to support their families after the coal mine closure.

The building blocks for achieving a just transition

For South Africa to truly harness the opportunities to achieve a just transition and minimise its risks, there are some key building blocks that need to be put in place.

1. Prioritise green job creation

It is important for South Africa to ensure that job creation is at the core of its endeavour to achieve a just transition. Due to the high unemployment rates and the fear job losses in affected sectors, there is a negative sentiment towards energy transition in the general populace. This has been compounded by the on-going energy crisis in the country, which has negatively impacted the economy. Another concern is that the just transition will not be able to replace all the employment that will be lost in the coal value chain sector. For instance, in regions like the Northern Cape, where several renewable energy projects are located, local communities are concerned that their impact on the local economy has been minimal at best, and in some cases has led to job losses among farm workers.

2. Focus on localisation to strengthen domestic manufacturing of green technologies

There is a significant opportunity for South Africa to promote localisation of green technologies, since many of the technologies deployed in the country's energy transition are mostly imported. For example in 2023, South Africa imported $3.8 billion worth of solar panels. This despite the fact the South Africa has significant manufacturing capability, but is unable to compete globally in the green technology sector (Amis & Lugogo 2018). Promoting localisation of green technologies, will unlock many opportunities and address the systemic unemployment crisis. However, to tap into this opportunity, significant investments will be require to build skills, including the reskilling workers in the traditional coal sectors, to work in the green technology sector.

SUSTAINABLE ENERGY

3. Strengthen youth and women participation

One of the essential components of establishing a just and equitable transition is empowering the most vulnerable community members. Skills substitution programs (targeted towards the youth and women in particular) are important in fostering the path to a low carbon economy. Africa has the youngest and fastest-growing population in the world, and in most countries including South Africa, the youth are the ones struggling with the challenges of unemployment in their respective countries. For instance, the youth unemployment in South Africa is over 50%. Thus, the green transition provides a great opportunity to target the youth as they are challenged to become more innovative and come up with business solutions that can help in simultaneously eradicating energy poverty and unemployment. There is also a need to prioritise and provide opportunities for women to be more involved in the opportunities which are provided by the just transition in South Africa. According to Statistics South Africa the majority of people who are confronted by challenges of poverty and unemployment in South Africa are black and female. Therefore, ensuring that women strongly participate in the country's just transition ambitions will play a critical role in addressing systematic challenges of the past including the current societal challenges that South Africa faces such as gender-based violence. To empower both the youth and women would require the provision of education and training opportunities, in addition to access to business and employment opportunities.

4. Empower local governments to effectively implement national policies

The effective implementation of any just transition mechanism is both a local and national responsibility, however in South Africa the discourse is still at a relatively high level, with very few local authorities participation. This is problematic, as just transition is an economy wide endeavour, not limited to the energy sector. There is a need to empower the municipality to take charge in implementing national policies and their own integrated development plans (IDPs) to ensure that economic and climate targets are met at the local and national government level. However, the lack of capacity with most local Municipalities in South Africa, has hindered their effective participation in driving the just transition. There is an urgent need to bolster the capacity of local authorities to ensure that the country is on course to achieve a just transition. If the local municipalities are equipped with the necessary skills and knowledge, it will ensure that they are able to deliver on the country's decarbonisation agenda, while delivering vital services their residents.

Conclusion

In terms of achieving a just transition South Africa is consistent with the Paris Agreement. The country has managed to develop elaborate policies that are aimed at addressing the key challenges such as climate change, unemployment, poverty and inequality. Over the past few years the just transition discourse has gained a tremendous support in South Africa. This was recently amplified by passing the Climate Change Bill 2022, and development of the just transition framework and investment plan among others.

Despite the aforementioned significant developments that have taken place in South Africa, some major challenges still persist. For instance, the country decarbonisation agenda is still offtrack, while load shedding and high electricity prices remain a persistent challenge hindering the country's economy and peoples' livelihoods. Effective policy implementation remains a major constraint hindering the acceleration of the just transition both at national and local government level. However, despite these challenges, there are still numerous opportunities for achieving a just transition in South Africa. The country need to promote job creation, by fostering an effective green innovation ecosystem. There is also a need mobilise climate finance to enable green innovations to be scaled up, and to localise green technology value chains. Finally, there is need to build a strong skilled workforce, to enable workers in traditional sectors such as coal and mining, to explore new job opportunities in the emerging cleantech sector.

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