

CLEANER ENERGY

NEVA MAKGETLA: Mpumalanga faces the reality of coal's demise

More than 10,000 jobs have already been cut with many more to come

BL PREMIUM

09 October 2018 - 05:06 Neva Makgetla



Picture: Katherine Muick

Mpumalanga is a textbook case of the social and economic risks of the transition to a cleaner environment. Both domestic and export demand for coal are plummeting as companies, households and electricity producers move to cleaner technologies.

The problem is that, as usual, the costs of the transition are being pushed mostly onto working people and the poor, in the form of job losses and more precarious local economies. The costs affect the whole coal value chain, which was historically central to growth in SA. They directly affect workers in the mines and electricity plants, many of them the mainstay of small Mpumalanga towns. They also hit the small businesses that grew up around them, ranging from coal transporters to equipment suppliers to spaza shops.

In responding to the decline in coal, stakeholders have increasingly used the concept of “just transition” to legitimise demands. But some groups think it means society should save coal production at any cost, while others use it to lobby for stronger support for renewable energy. As so often, this cacophony makes us wonder how we survived before Wikipedia. In the event, for the past two decades the concept of the just transition has had a specific meaning: above all, that working people and the poor should not have to bear the main costs of shifting towards a cleaner economy and society.

The economic logic is that while investors can usually move more or less painlessly into other kinds of production, workers and communities often get left behind. By extension, the government needs to work with stakeholders to help vulnerable individuals and regions adapt. The coal industry employs about 77,000 mineworkers, almost all in Mpumalanga. It has lost about 10,000 jobs since 2013. Those job losses hurt more

because mining pays well above the norm for people who don't have further education.

Two-thirds of coal miners have matric, but only a quarter have more. Their median pay is about R7,000 a month — twice that of other formal jobs, although lower than platinum or gold. Nine out of 10 coal miners have a retirement fund, and two-thirds are union members. Their median age is 38 — older than other workers outside the public service and domestic work. When the mines close down, where will they go? If we leave that decision to unsupported individuals, we will end up with higher costs as a country as communities flail and families go hungry.

In Gert Sibande and Nkangala districts in Mpumalanga, the coal value chain accounts for between a third and half of value added. These regions are part of SA's economic heartland, with huge and long-standing investments in infrastructure, enterprise and skills. We can ill afford to lose those resources through failing to help them shift into other value chains as coal declines. The just transition doesn't mean ignoring the cost of pollution to protect existing jobs. But the pain can't be systemically pushed onto people who already have very little to lose.

The challenge is to find alternatives for affected workers and communities. The options are not just in the green economy. How can the coal communities of Mpumalanga fit into other value chains? How do we repurpose production systems and infrastructure to provide livelihoods for those left behind when the mines ultimately close down?

In 2012 the white paper on climate change called for two policy processes to implement a just transition: the national employment vulnerability assessment, to identify jobs at risk; and sector jobs resilience plans to help find alternatives. Since then, as so often, too little has been done too slowly, and now the risks are fast becoming realities.

The recent jobs summit agreed that these projects should be fast-tracked. That would help ensure that the cost of saving the planet doesn't fall on those who can least afford it.

Makgetla is a senior researcher with Trade & Industrial Policy Strategies.

Please share your
feedback

Business LIVE

We are conducting a quick survey to better understand our audience. Click here for the [Privacy Policy](#)

Continue

Cancel