Just Transition overview

Development Dialogue on SA's Just Transition

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Origins

- Original problem: US environmental toxic clean up policies in 1970s disproportionately impacted minority and low-income workers and communities.
- In 90s, US trade unions applied rationale to environmental protection more broadly – workers and communities should not disproportionately incur costs – costs should be distributed equitably across society.
- Focus was broadened to the management of employment impacts from transition to a green economy.

- Over time, JT became a deliberate attempt to plan and invest in a transition to environmentally and socially sustainable jobs and economies
- By mid-2010s sufficient momentum through adoption by ITUC, ILO, UNFCCC, UN SDGs (2015) and Paris Agreement (2015).
- A number of countries have drawn in JT-thinking into policy-making such as Germany and Australia, among others.

Just Transition in SA policy

- JT has become a prominent feature in the energy sector and national planning:
  - ➢ JT appeared in COSATU's policy framework on climate change (2011)
  - ➢ A crucial component of the NPC process as part of long-term development
  - ➢ A central framework in the NEVA/SJRP projects (Coal and other VCs) (2019/2020)
  - ➢ Features as an imperative in the IRP (2019) for coal phase-out
  - ➢ DPE Roadmap for Eskom in a Reformed Electricity Supply Industry (2019)
  - ➢ PCCCC announcement from 2018 Jobs Summit makes provisions for a dedicated entity to drive the JT

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Conceptual framework

- JT framed as <u>inclusive</u> process and outcome and offers protection to:
  - Workers, small businesses and communities in industries that decline from CC impacts (e.g. through fossil fuel linkages)
  - Vulnerable consumers that have to face higher energy prices through legislation (e.g. carbon taxes)
- Implicitly assumes low-income groups typically have worse information, skills and resources, making it more difficult and risky for them to move to new industries or regions if their current livelihoods fail
- Housed in a typical policy reform challenge: policy reform can impose significant costs on a small group while generating larger and diffused benefits for majority
- JT regards the transition to a low carbon economy as important and seeks to be inclusive in the transition process

Coal sector overview

Stage of the value chain	Employment (number of jobs)
Coal mining	80 000
Power Generation (Eskom)	12 000
Petrochemical production (Sasol)	26 000
Small coal truckers	2 000

- Coal miners are the most vulnerable based on:
  - their financial resources,
  - relatively low skills and
  - limited mobility in the labour market.

- The coal value chain has been central to South Africa's development

- Feeds into important downstream industries, such as electricity generation and petrochemical production.

- Four municipalities in Mpumalanga rely heavily on coal mining
  - eMalahleni,
  - Steve Tshwete,
  - Msukaligwa, and
  - Govan Mbeki.

Policy tools

Active Labour Market Policies

Social Protection

Promoting Technological Adjustment

Diversifying Livelihoods

Effective Structures For Coordination and Implementation

Debates and obstacles

Debates

- Whom to prioritise – most affected; future workers in green economy; low-income consumers of high-carbon products?
  - ➢ Very different measures follow from choice
  - ➢ Are formal workers in affected industries victims or a relative elite?
- Instruments for dealing with affected:
  - ➢ ILO focuses on supporting individuals to adjust (ALM, social protection, small business support)
  - ➢ Most actual government programmes include elements of industrial and regional policies (promote investment in new activities and infrastructure)

Obstacles

- Finding resources for ALM especially in global South
  - ➢ Often implemented on too small a scale to make a difference
- Resourcing social dialogue
  - ➢ time for engagement;
  - ➢ resources for convening, holding and chairing meetings;
  - ➢ mandating mechanisms;
  - ➢ preventing forum shopping and lobbying outside of dialogue;
  - ➢ mediation and dispute settlement mechanisms

Thank you!

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