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## Exploring measures to reduce the impact of climate change on the SA economy

A shift to renewable energy is one of many interventions being explored to mitigate the potential negative impact on the economy of a move away from relying on coal.

This emerged as a key theme from the recent TIPS Development Dialogue webinar, which focused on exploring the ground-level impacts associated with a just transition away from coal. This dialogue was part of a series of conversations which have been taking place around how to effect a just transition which would take into account the potential negative impact of climate change on vulnerable stakeholders, especially in the current context of high levels of inequality, poverty and unemployment.

During the various dialogues, it has been acknowledged that climate change will have material impacts on the SA economy and society. The brunt of the impacts is likely to be borne by vulnerable stakeholders (low-income communities, workers, small businesses) who rely on coal-related activities for their livelihood. Hence, it is important to understand that a just transition to an inclusive green economy is paramount to mitigate such impacts and ensure that vulnerable stakeholders are not negatively impacted.

During the dialogue on the impact of the move away from coal, discussion focused on the fact that, in the short term, this will primarily materialize in the coal value chain which, as pointed out by TIPS economist Muhammed Patel, directly employs about 120 000 people and underpins the economy of entire municipalities (Emalahleni and Steve Tshwete primarily).

However, as highlighted by TIPS, pro-active resilience plans are required to ensure a just transition and to reduce the potential negative impact on those who rely on their livelihoods through the coal value chain. In the coal value chain, such as resilience plan would aim to diversify the economy of Mpumalanga as well as ensure service delivery is maintained (if not enhanced).

Opportunities range from mining rehabilitation, to coal waste beneficiation, to renewable energy. Preliminary estimates for a just coal transition range by Michelle Cruywagen of Stellenbosch University range from R6 to 16 billion over a 20-year period.

Renewable energy technologies arise as an answer to the demise of coal-related activities (rather than a threat). Indeed, no power plant in SA is closing due to the rollout of renewable energy technologies. Renewable energy technologies, as part of a larger rejuvenation strategy, provide an opportunity to revitalize Mpumalanga. This can take the form of the rollout of power generation (leveraging the existing grid infrastructure) as well as the development of manufacturing capacity in the region. Associated with a large-scale rollout, renewable energy could create a vast amount of jobs in SA, which would contribute to a just transition in the country.



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During the dialogue, Pulane Mafoea Nkalai, a senior researcher at the Sam Tambani Research Institute (SATRI), and David Hallows, a researcher at groundWork, raised the importance of ensuring workers' and communities' rights are protected in the process, as past transition processes have (domestically and globally) not been just and inclusive. Indeed, as TIPS has been arguing for some time, in the absence of a just transition process, vulnerable stakeholders would be negatively impacted by climate change.

TIPS senior economist Gaylor Montmasson-Clair concludes that “this is a call to action to embrace the need for a just transition, by accelerating the diversification of the Mpumalanga economy (to renewable energy as well as other sustainable activities), rather than an encouragement to (futilely) attempt to hinder an inevitable transition.”

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