

A South African Perspective on the Just Transition of the Workforce

**Presentation to the Forum on the Impact of the
Implementation of Response Measures**

Republic of South Africa

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A Just Transition

- Climate change disproportionately affects the poor and vulnerable.
- They need to be protected from the transitional costs associated with mitigation, e.g.
 - increased costs of energy, food and transport
 - job losses in carbon-intensive industries
 - demand for different skills
- Process of transition must be judiciously managed.
- In SA, social dialogue has been key.



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SA Policy Context

- Middle-income developing country confronting the triple challenges of poverty, unemployment and inequality.
- SA Government's New Growth Path aims to create 5 million **new decent jobs** by 2020.
- SA economy's carbon-intensity underpinned by various factors (e.g. abundance of coal, mineral resource wealth, industrial policy legacy).
- Millions SA workers employed in energy-intensive industries; mining sector is major contributor to SA foreign exchange earnings.



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THREE Experiences from South Africa



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A Challenge: SA Wine Exports

- Response measures in developed countries may impact adversely on SA workers.
- Proliferation of private standards encourage retailers to “green” their supply chains.
- Growing pressure to export wine in bulk based on tenuous argument of carbon emissions associated with glass (but other structural & price factors too).
- Has led to closure of domestic wine bottling plants and small cooperatives, especially in Western Cape.
- How to cushion impact – For every 10 million litres of wine shipped in bulk, just over 107 direct jobs are lost.



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An Opportunity: “Green Jobs”

- SA requires massive technological shift from capital-intensive and resource-dominated economy to relatively more value-adding, labour-intensive and less carbon-intensive economy.
- Focus on green industries (wind, solar, SWH) and energy-efficient sectors in context of one of the world’s largest RE programmes.
- Support local manufacturing and capacity, job creation and economic growth through strong localisation.
- Government aims to create 460,000 direct “green jobs” by 2025 (400,000 in services and 60,000 in manufacturing)

Social Dialogue

- Corporatist bargaining and social dialogue through the National Economic Development and Labour Council.
- Government and social partners signed **Green Economy Accord** at COP17 in November 2011.
- One of the most comprehensive social pacts on green jobs in the world, ranging from energy generation and “clean manufacturing” to eco-tourism and environmental services.
- Comprises 12 commitments, from specific short-term targets (e.g. 1 million SWH by 2014) to more systemic long-term initiatives (e.g. investment in mass transport).

Lessons from SA?

- Structural transformation requires technological and infrastructural innovation and development, with adjustment costs for some industries & workers.
- Economic and social resilience, and social dialogue, should be built into all aspects of planning and policy.
- A regional perspective and cooperative regional development planning may be important.
- Strategic selection of projects.
- Dialogue with international partners on impacts.
- Education, training and social protection are critical.



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Thank you



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