

Leeds University Business School – Research and Innovation Podcast

Episode: Just Transitions – a global exploration: South Africa

Speakers: Mattia Dessì and Dr Alexander Beresford

[00:00:00] **Mattia:** Hello and welcome everyone to the Research and Innovation podcast. I'm Mattia Dessì, a postgraduate researcher at Leeds University Business School.

[00:00:13] **Alex:** Hi there, my name is Alex Beresford. I'm an Associate Professor in African Politics in the Department of Politics and International Studies.

[00:00:21] **Mattia:** And in today's episode of the "Just Transition - a global exploration series", I'm going to be speaking to Alex about Just Transition in South Africa. So welcome Alex to the podcast. It's a pleasure to have you here.

You have been studying South Africa for a long time on different subjects, but I'll be focusing today on your recent research on just transition in South Africa. And I'll start with a very general question. How is just transition understood in South Africa?

[00:00:50] **Alex:** Yeah, thanks, Mattia. It's a pleasure to be here today. Well, I guess it's no easy answer to that question because I think there's a lot of contested meanings around just transition in South Africa. It's a country that has become a global focal point for just transition initiatives, not least because it has become a real focus for the international community with regard to the financing of its just transition initiatives, but because South Africa is one of the largest global polluters.

In particular, because of the heavily polluting energy sector with its aging infrastructure, South Africa has been a real focal point of global attention for just transition and I think it presents a lot of challenges to just transition initiatives because of its historical composition in terms of the relationship between the, the workers and the state in South Africa.

And in particular, the kind of challenges with regards to poverty and high levels of unemployment and the issues around job creation potential for those workers who are in the energy sector, whose, whose jobs are potentially on the line, as it were, with regards to the transition from fossil fuels to renewable energies.

So it's a real global focal point. At the moment there's a lot of debate about what exactly just transition means that the trade unions themselves were quite often leading the discussions about climate change from around about the beginning of the last decade, you start to see more and more mentions of it in some of the discussion documents, particularly of the main labor federation - COSATU, the Congress of South African Trade Unions.

And gradually you can see that this then gets on to the agenda of government, because the trade unions in South Africa, certainly those within the COSATU fold, are in alliance with the ruling party, the African National Congress, or ANC as it's called.

And they're able to exert quite a strong degree of influence over particular issues. And I think one thing that they've been quite successful at getting on the agenda, has been a response to climate change and the very 1st discussions about just transition really can be traced back to some of those trade union discussions that they held with their counterparts in international labour organizations, for example, so we can see that they, they were driving a lot of this discussion and gradually with the Cyril Ramaphosa government in particular, you've got a lot more governmental attention on to climate change and in particular on to just transition.

So the South African government invested a lot in putting together the presidential climate commission, for example, and then it also invested a lot in forging what they call the just transition program, right?

And in particular, what they were looking to do with that was to really set forward in this just transition framework that they put together was a shared consensual view about what just transition might be. But I think what that document does, it sets forward a very kind of positive sounding agenda about that all South Africans should benefit from the just transition, that they should be in a better position than from where they started in the transition from fossil fuels to renewables. So, it's very much an idea about a positive transformation, but when it comes to the detail, it's pretty thin about how that will be operationalized and I think that's where some of the debates and divisions have started to emerge between the unions and government, and indeed between those South African actors and their international partners.

[00:04:27] **Mattia:** Thanks Alex, that's very interesting. I was wondering, since South Africa in the last 12 to 18 months has been the subject of, quite interesting debate at an international level after COP - the United Nations Climate Change Conference - I was wondering where the international partners that you mentioned that the agreements that they put in place with the South African governments, where do they fit within this domestic debates?

[00:04:51] **Alex:** Yeah, there are very prominent feature of the domestic debates about what just transition ought to be. And indeed, how it will be operationalized on the ground. And that's not least because, as I alluded to before, you know, South Africa has become a global focal point for just transition initiatives.

You've got COP26, you get the the initial just energy transition partnership gets signed off and you've got the leading powers behind that are France, Germany, the UK and the USA, and they're then agreeing to put in quite considerable finance in the form of loans to South Africa, to really push South Africa ahead with the closure of its fossil fuel power stations, those coal fired power stations in Mpumalanga in particular, and, you know, to really kind of give a little bit more impetus to South Africa's transition.

And this was welcomed by the South African government at first but there were concerns from the outset, I think coming from civil society, coming from the trade unions in particular and concerns that were elevated then subsequently at the next COP - COP 27, when you got the just energy transition investment program, and that comes into place and in particular that starts to set out how exactly a just transition might be operationalized in the South African case. And the concerns really

start to accelerate at that point, because civil society and trade unions were not consulted to the same degree that they had been in the kind of previous agreements, particularly with the just transition framework that was agreed consensually within South Africa.

And at this point, there are huge concerns about the structure of the plan. In particular, because of it being largely financed through loans and a very small proportion of it being financed through grants. And so the big concerns from civil society and from the unions that this was effectively laying a debt trap for South Africa, that this was the big boys of the international community, as it were, using their financial leverage over South Africa to try and get them to implement a very particular agenda and vision of just transition.

You see this and we found this out from our own research and our interviews, just how concerned unions are about how this agenda is being set from outside and how little say they've had over the actual final agreement and plans with regards to how just transition might get implemented.

And for them, it raises a whole load of issues because there's concerns that when we look at the energy sector in particular, which is a focal point of these agreements, that the European and the USA, those powers from outside in particular, trying to push South Africa to embrace renewables.

But in particular, that this is really facilitating an agenda as they see it of privatization within the energy sector. The promotion of independent power producers in particular, which are usually private companies coming in to add renewable capacity to the existing grid. And there are concerns then from civil society and from the unions that this is then going to have a diminished role for the state within the production of power.

And there are concerns then about what that will mean for customers in terms of the price of energy. But also concerns about what that means for the long term structuring of the power sector within South Africa. So, for example, concerns about joblessness for those workers who may be working the power stations themselves, or for those workers that work in the supply chain for coal fired power stations.

But not just those immediate workers. What the unions will raise very clearly is that this will affect a much larger community, those communities and those economies connected to the coal mines, connected to the power stations in Mpumalanga and there are real concerns about how this might create kind of ghost towns across this particular region of South Africa. In particular, because of concerns about the lack of renewable energy jobs that that might be stable and reliable in the long term, but also that those jobs might be in different regions within South Africa, even if they are created. So, it's created a lot of kind of concern a lot of anxiety and in turn, this has really started to shape the public debate.

So, this kind of mistrust and suspicion that's arising because of the closed nature of these agreements that the unions haven't had much of a say over that has, in turn, then fueled this kind of debate that's focused a lot around a racialized narrative of just transition. The idea that renewables start to become associated as an external agenda that's something in a sense, being imposed upon South Africa and that South Africa has lost its capacity to do this at its own pace, a pace that will suit workers and their communities around them.

And that in a sense, the government is having its hand forced by these international donors. And there are consequences then for, the way that the unions are seeing the just transition.

There are concerns that they, you know, simply don't necessarily want this transition to happen at the kind of pace that's being suggested. And you're starting to see them becoming oppositional figures within this when actually, when it comes to this transition the unions are absolutely critical and to get them to cooperate is absolutely pivotal for South Africa's future in terms of a shift towards renewables, which is desperately needed in the country.

[00:10:25] **Mattia:** Yes, we often read about unions describing this process coming from abroad as green colonialism. And I was wondering how this concern is translated into practice in the political sphere. Because you know that of the strong ties between the union movement, ANC, and we know that the union can be very vocal, even publicly about this, but what is happening behind the scene and what kind of consequences this might have for the relationship between the ANC and and ??, for instance.

[00:10:57] **Alex:** Yeah, it's become heavily politicized. Like you say, green colonialism comes up. People talk about how this is just simply a renewal of the kind of structural adjustment programs of the 1980s, where you had you know, international financial institutions imposing upon African states, the economic policies and setting their economic agendas.

And a lot of unionists genuinely see this once again as that externalization of sovereignty, right? That South Africa is losing its self determination. And, the narrative comes up, you know, we fought for control of this state against apartheid oppression. And now there's a concern that they're surrendering control over economic decision making and planning in this very critical area to these external powers, and then that fuels the mistrust and suspicion. And in terms of how that's playing out at the moment within the ruling party, it does kind of start to converge around some of the existing factional fault lines within the ANC, right?

And the unions who are in alliance with the ANC are part and parcel of some of those factional contests, right? And the factional contests within the ANC spill over into the factional contests within the unions for who controls the union positions as well. And what you're starting to see is competing discourses within the union movement about just transition with some

quite clearly much more oppositional forces that are trying to stall the agenda and to slow it down and others that are reluctantly in some cases kind of embracing it some with with greater gusto than others. But what we're seeing is that this issue of just transition I think is becoming a real focal point for a much wider debate within the alliance at the moment about the very nature of South Africa's politics and the relationship that the ruling party should have both with the unions but also with black owned businesses within the power sector, within the coal mines in particular. so this will have quite significant consequences for some longstanding economic relationships in South Africa that will be disrupted by the just transition.

Because as you move to renewables away from fossil fuels that disrupt some of the economic vested interests within the mineral energy sector. In particular, the way in which politically connected elites within the ANC and indeed some within the unions have benefited from business relationships, from contracts, from the jobs that come from these contracts within the power station sector, within the coal sector as well, and that has provided quite a lucrative source of material wealth and has enabled certain groups to mobilize and, you know, you get these processes of class formation within the ruling party and within the unions from these groups who have benefited from those mineral energy contracts associated with coal fired power.

Those vested interests are threatened by the just transition. And once again, we can see that when these interests get threatened, that's when you start to see an acute contestation for power within the ruling party itself. We've seen this previously with the factionalism between civil Rama poses faction and Jacob Zuma's faction in the previous five or six years.

But we'll see that again, coming up as these pressures for just transition begin to accelerate. As the money's coming in from outside to accelerate the transition that is going to really bring about pressure upon these elites to, to change, to fundamentally challenge some of these economic interests and how that plays out within the unions and the ruling party will be critical, not only to the just transition, but to South Africa's political future more broadly.

[00:14:48] **Mattia:** Thanks, Alex. You mentioned this vested interest. We know, for instance, that the Minister of Mineral Resources and Energy, Gwede Mantashe, his nickname is the Coal Fundamentalist. In terms of opposition to the Just Transition, how powerful this section of the ruling elite is, and how dangerous it is for the accomplishment of this process in South Africa?

[00:15:14] **Alex:** Yeah, it's a good question. It's a difficult one to answer in terms of, trying to quantify that power. I think, you know, a lot of this will hinge on precisely how these agreements eventually get done to close down some of the coal fired power stations. And the impacts of that will have on some of the coal pits that fuel those power stations in the first place.

A lot of it will be determined by the time frame by which this all gets done. So Gwede Mantashe, I don't think necessarily represents the extreme end of that particular faction. I think he's one of these people who sees an energy mix as the long term solution for South Africa, which in essence delays the transition to renewables by bringing in stop- gap measures, like offshore gas supplies and so on.

But also I think he sees fundamentally that coal will have to play a part of that energy mix for the longterm within South Africa anyway, just to secure a basic baseload of energy generation from Eskom to, to power South Africa, which obviously has power shortages at the moment.

I think there are more radical elements within a faction of the ANC, which are pushing effectively against the just transition full stop, in particular against the independent power producers. Now, what will be important in terms of the power of those groups, if they've got vested economic interests will be whether they can make a claim and indeed forge alliances with other groups like ordinary workers with civil society groups who are, for very different reasons, for ideological reasons, opposed to independent power producers because of what they see as the kind of stealthy privatization of the energy sector and who are concerned more broadly about South Africa's sovereignty and its debt crisis.

I think, you know, for very different reasons, those groups might find common cause together. And if they do, that's where those particular factions might actually gain some traction and some power. But at the moment, at least, it looks as though Ramaphosa's faction has a pretty clear handle on ANC power at the moment.

I think what we'll see at the election is that in April next year, probably, is that, you know, If the ANC has a strong showing, then that's obviously going to strengthen Cyril Ramaphosa's hand within the ANC and the wider alliance. If, however, the ANC has a bad result, if it starts to lose a grip on a commanding majority in South Africa, that's when we might start to see some of these factions

emerging and gaining in strength and coalitions between these various interrelated but ideologically very different sections of the ANC starting to come together and form some sort of united grouping.

But this is very speculative at the moment because we just don't know what's going to come out in the next election and what the fallout from that will be.

[00:18:10] **Mattia:** Thanks so much, Alex. This was a very insightful conversation which comes to an end. If you want to listen to more episodes of our series, please do have a listen and you find out more about our research on just transition in other countries. Thank you so much for today and goodbye.

[00:18:25] **Alex:** Bye bye.