



PCC JUST TRANSITION DIALOGUES

JOBS AND LIVELIHOODS

BUSINESS ACTION FOR SUSTAINABLE GROWTH



INEQUALITY • UNEMPLOYMENT • POVERTY

With a point
.62-.66 Gini
coefficient
South Africa
has the highest
inequality in
the world

With over 30%
unemployment
and more than
50% of youth
unemployed,
economic
inclusion is
critical

55% of people
in South Africa
live in poverty,
with over 10%
living in
extreme
poverty

AGRICULTURE AND FOOD DATA IS A MOST SOBERING REMINDER THAT WE NEED TO UP OUR AMBITION FOR A JUST TRANSITION

Average monthly household cost of different food baskets in SA

R1027/month

Stats SA Living Conditions Survey (LCS)

- Real average household food expenditure in South Africa (2014/15)
- Based on survey of ~28 000 households

R2900/month

BFAP Thrifty Healthy Food Basket

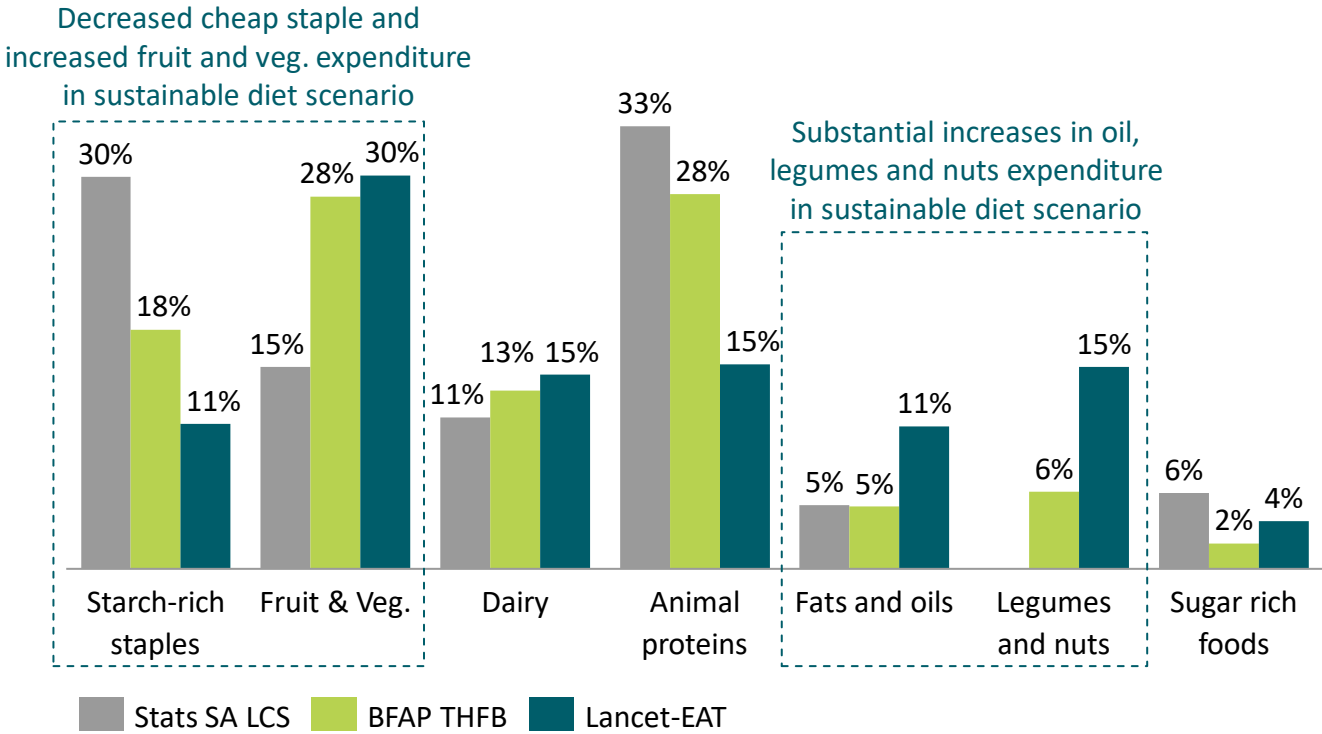
- Lowest cost SA food basket that meets full macro nutrient requirements (aligned with DoH Dietary Guidelines)
- Affordable for ~50% of SA households¹

R4300/month

Lancet EAT sustainable healthy diet

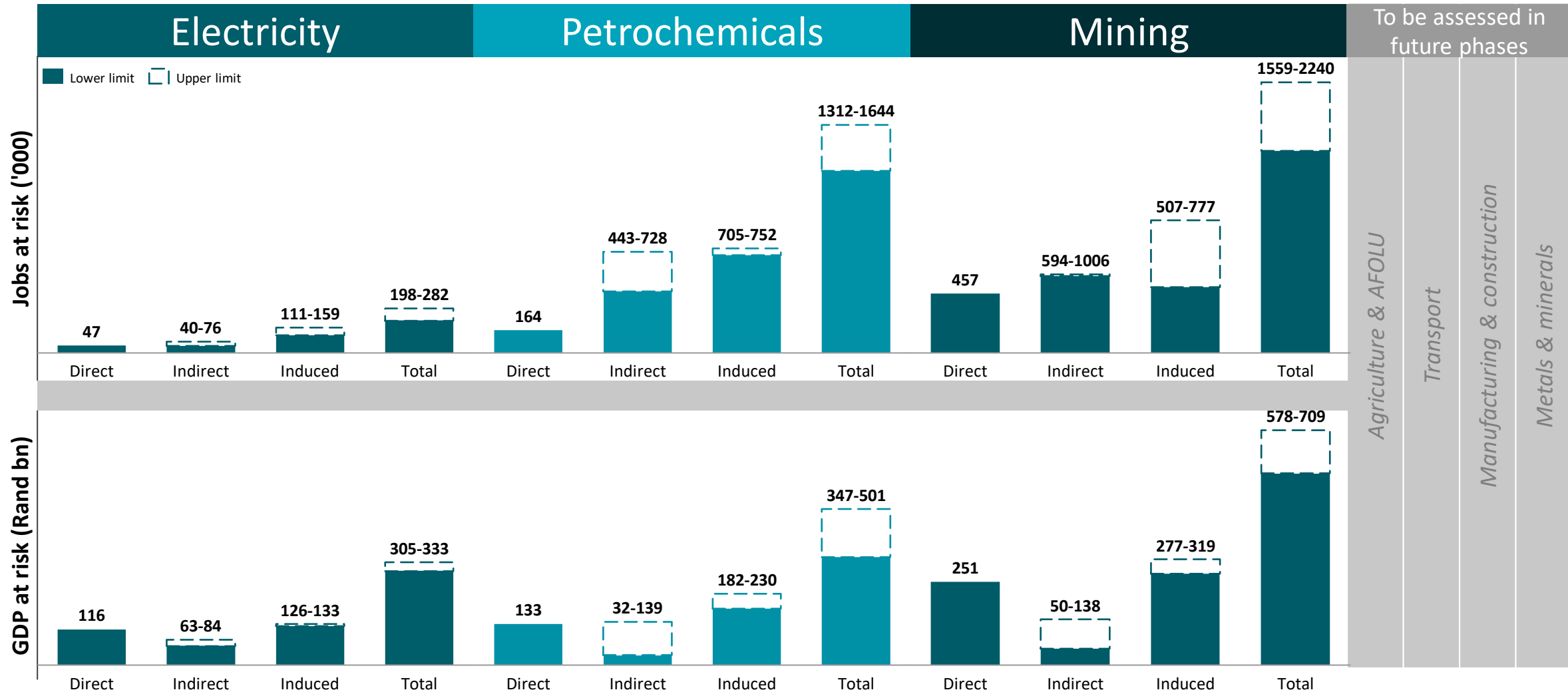
- Healthy diet, optimised to minimise carbon intensity of basket
- Affordable for ~20-30% of SA households¹

Average % household food expenditure for different food baskets



Source: NBI-BCG-BUSA Net-Zero Just Transition Pathways Working Document
1. Assuming 35% of household income is dedicated to food expenditure
Source: Hirvonen et al "Cost and Affordability of the Lancet-EAT Diet"; BFAP 2020 Baseline; Stats SA Living Conditions Survey

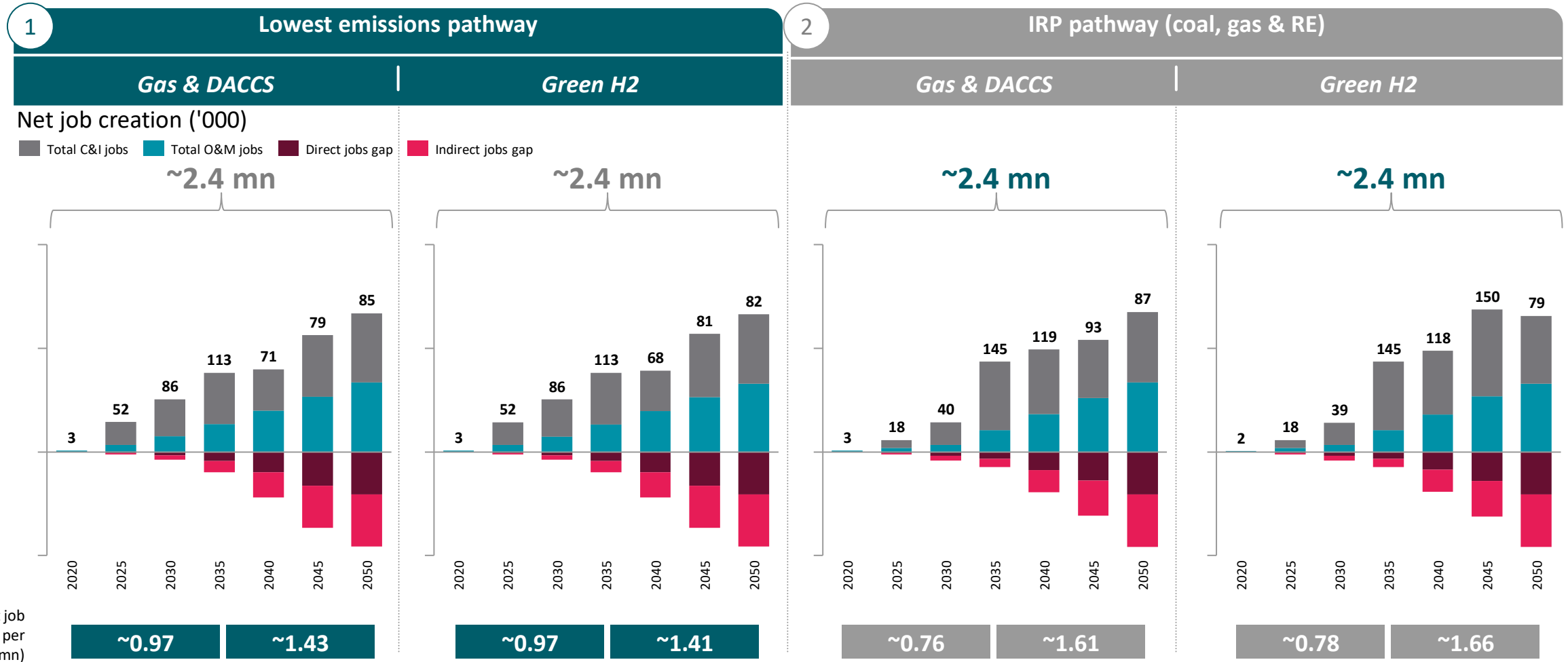
UNFORTUNATELY, MANY OF THE CHANGES ARE FORCED, THE KEY IS HOW WE MANAGE THE TRANSITION. THERE ARE A LOT OF JOBS AND THEREFORE LIVELIHOODS AT RISK.



Source: NBI-BCG-BUSA Net-Zero Just Transition Pathways Working Document, using: QES 2017; OECD SA Social Accounting Matrix, NBI-BCG Project Team; Energy Emissions Input-output Analysis In South Africa, Moodley 2006

FORTUNATELY THERE IS AN OPPORTUNITY TO CREATE JOBS AND ENHANCE LIVELIHOODS IN THE TRANSITION; BUT NOT ALL JOBS ARE EQUAL

! Generation jobs only. Transmission & distribution jobs still to be assessed



Source: NBI-BCG-BUSA Net-Zero Just Transition Pathways Working Document

Note: C&I jobs only include RE jobs (solar, wind) and storage & gas jobs; O&M jobs include all jobs for the electricity supply; direct & indirect jobs include only those in the coal value chain (direct = coal miners; indirect = broader coal value chain employees) | Source: Minerals Council Facts & Figures; Plexos model; OECD SA Social Accounting Matrix; Stats SA; NBI-BCG project team

A SUITE OF PUBLIC AND PRIVATE SOLUTIONS NEED TO DRIVE REGIONAL TRANSITIONS THAT ENHANCE JOBS AND INCLUSION



Starting point: Labour force of today

Employed	Type of work	Permanent		Part time	Temporary
	Skills	Highly skilled	Skilled		Unskilled
	Wage level	High income	Middle income		Low/ minimum wage
	Geo- graphy	Neutral/agnostic			In/near at risk area
	Age	Near retirement		Middle-aged	Newly-employed/ youth
Un-employed					
Outside the labour force (e.g. retirees, discouraged workers)					



Key enablers

>		Redeployment		Early retirement	
		Income protection & social welfare		Re-skilling programmes	
		Revision to technical & academic programmes		Relocation incentives	
		Relocation support programmes		...	
				>	



2050: Future labour force

Employed	Type of work	Permanent		Part time	Temporary	
	Skills	Highly skilled		Skilled		Unskilled
	Wage level	High income		Middle income		Low/ minimum wage
	Geo- graphy	Neutral/agnostic			In/near at risk area	
	Age	Near retirement		Middle-aged		Newly-employed/ youth
Un-employed						
Outside the labour force (e.g. retirees, discouraged workers)						

A CRITICAL KEY ENABLER IN THE MANAGED TRANSITION IS UNLOCK MANY, VARIED OPPORTUNITIES

Transitioning the economy to net-zero will require massive local infrastructure investment, creating opportunities for localised industrialisation, as well as opportunities to create export commodities

More **jobs** to be created from **renewable energy** than lost from coal

Investment in **peaking gas** to create jobs

Fischer–Tropsch expertise enables production of **green fuels**

Global demand for copper, lithium and other minerals needed for transition drives **mining investment**

Huge infrastructure investment in power and transport drives **demand for green steel and cement**

Switching to **Electric Vehicle** production to meet local and global demand

Localisation of renewable energy component manufacture to create as many jobs as lost in coal

South Africa poised to be **exporter of Green Hydrogen**

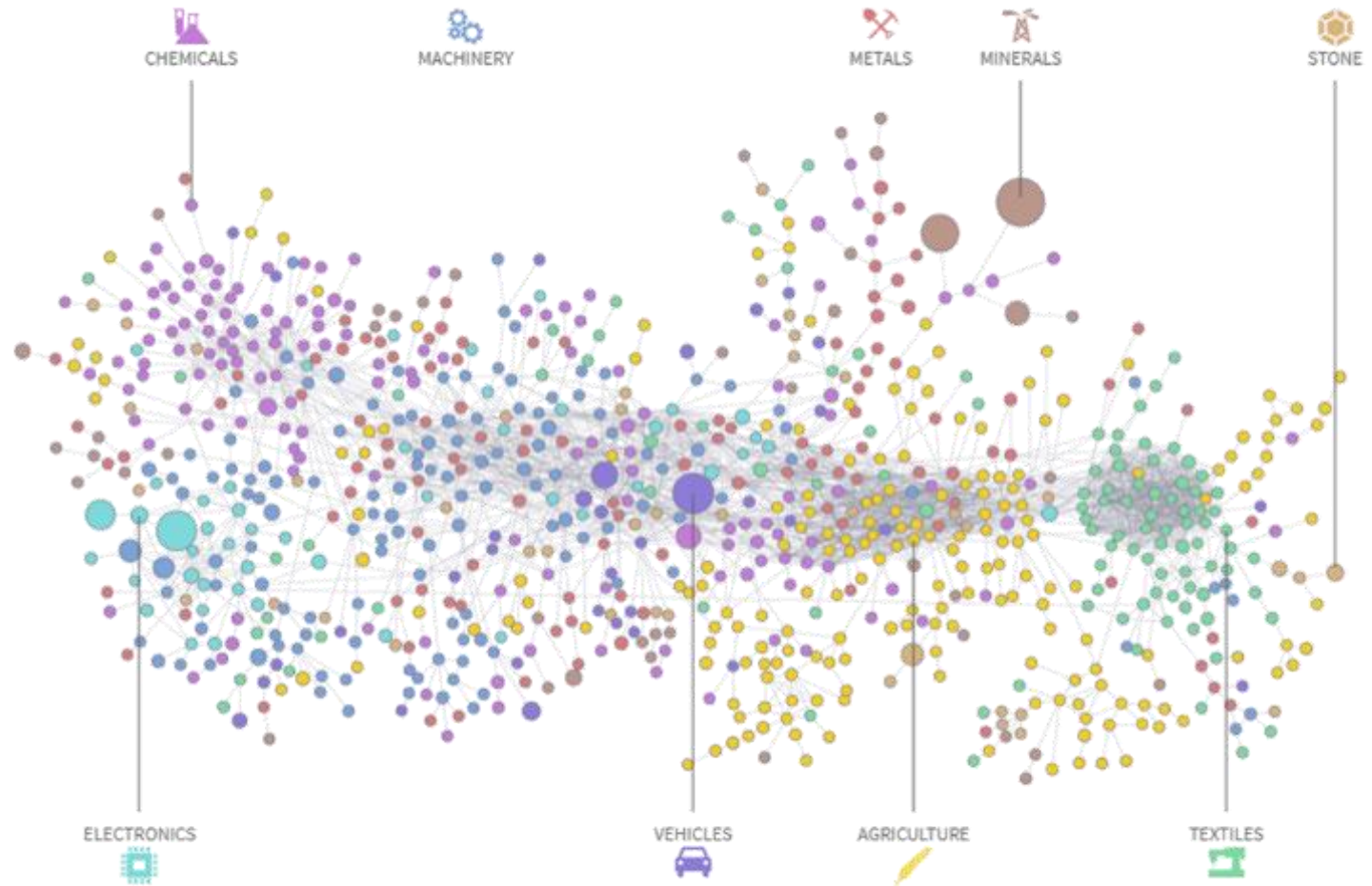
Fuel cell use drives demand for platinum

South Africa established as **green finance hub for Africa**

THERE IS THE POTENTIAL FOR UNCOVERING MORE

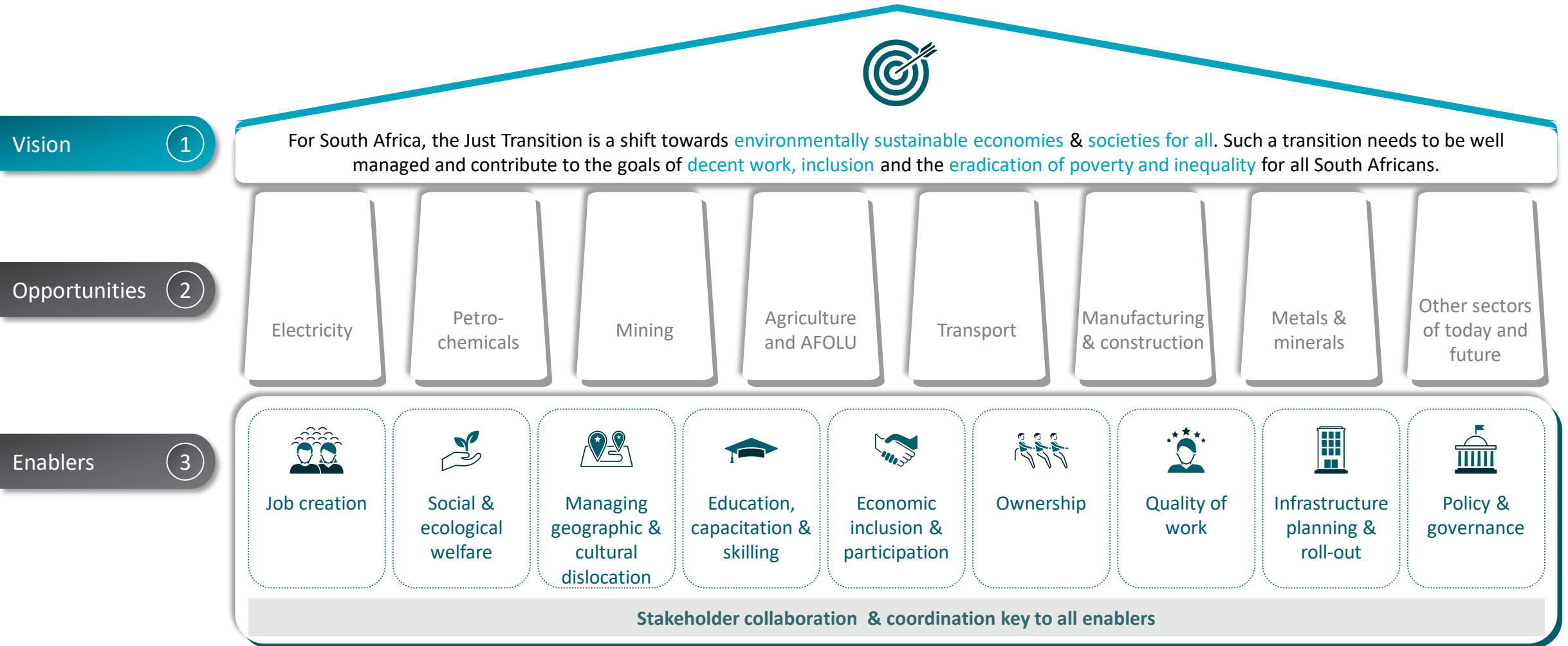
Data from the Harvard Atlas of Economic Complexity shows a map of South Africa's existing product space; and can be used to reverse engineer our production capability providing leads as to where we could focus investment, with incredible detail. Other potential investment areas include:

- Natural and artificial abrasive powders
- Non-woven textiles
- Mineral wools and insulating materials
- Monofilaments
- Trailers and semi-trailers
- Machinery for soil preparation and cultivation.... And many more

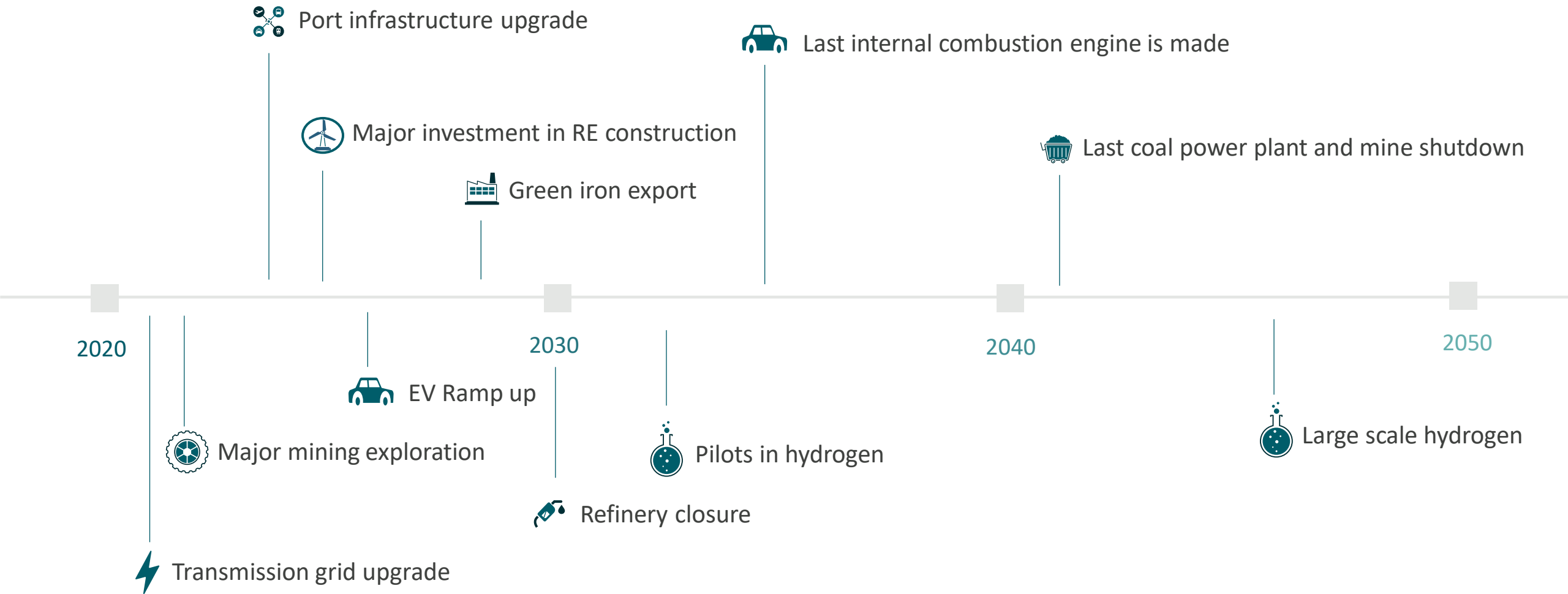


The common thread to enhanced competitiveness is using net-zero technologies and having access to cheap energy

GREEN INDUSTRIALISATION AND TRANSITION OPPORTUNITIES SHOULD MOVE BEYOND JOBS AND RESKILLING TO GENUINE TRANSFORMATION



UNDERSTANDING NET-ZERO PATHWAYS WITHIN A FAIR SHARE BUDGET ALLOW US TO REVERSE ENGINEER WHAT WE NEED TO DO



Source: NBI-BCG-BUSA Net-Zero Just Transition Pathways Working Document

WE NEED TO UNDERSTAND THE MECHANISMS THAT EXIST AND THAT ARE NEEDED FOR A GENUINE JUST TRANSITION

Each block happens at project, regional and national scales

Strong Reform Ambition

Technocentric discourse:

propose public policies to provide economic incentive for clean tech and technical innovation. Set in the macroeconomic context, assume transition is necessary to maintain economic competitiveness

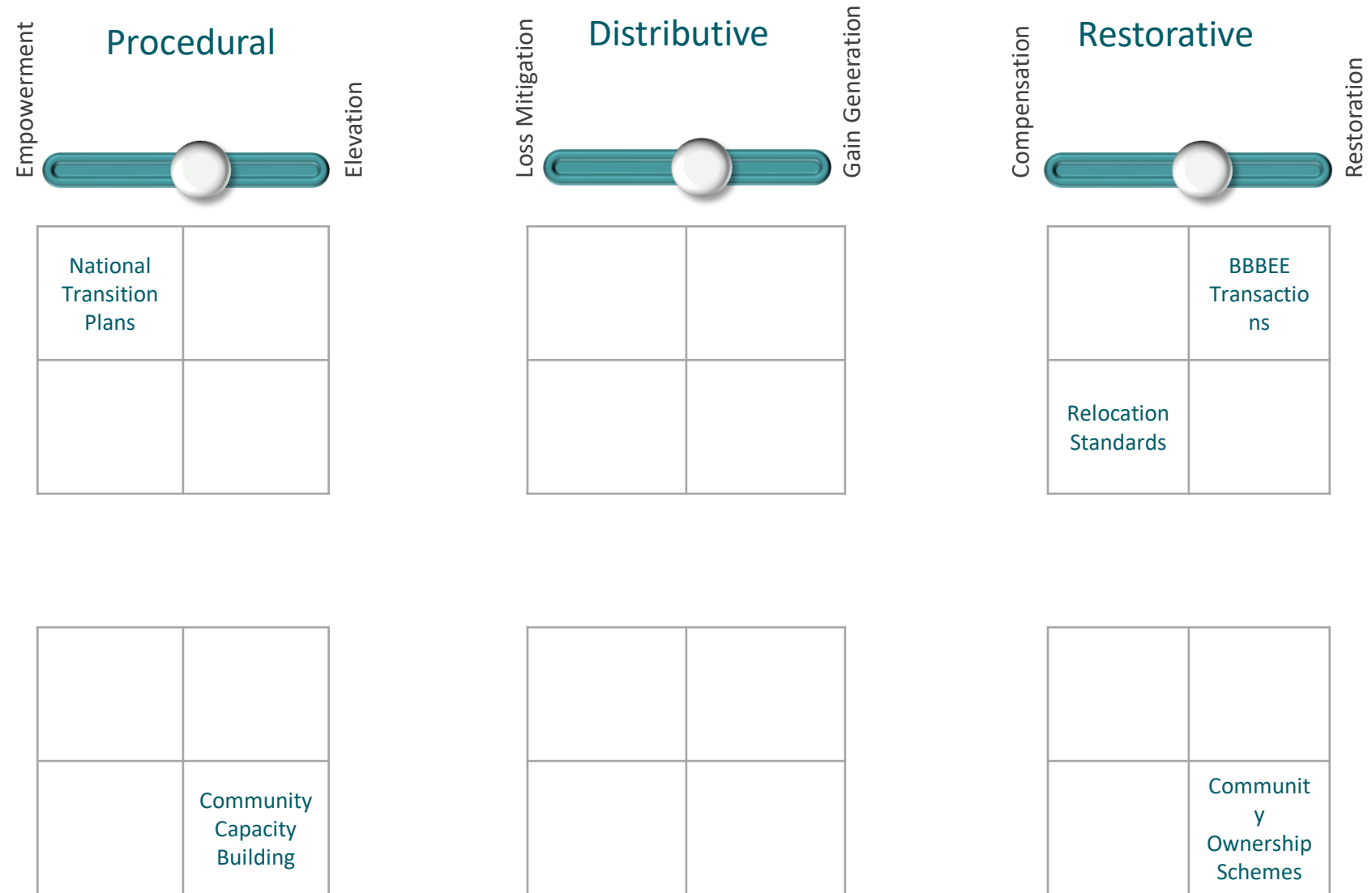
Weak reform ambition

Policy Change

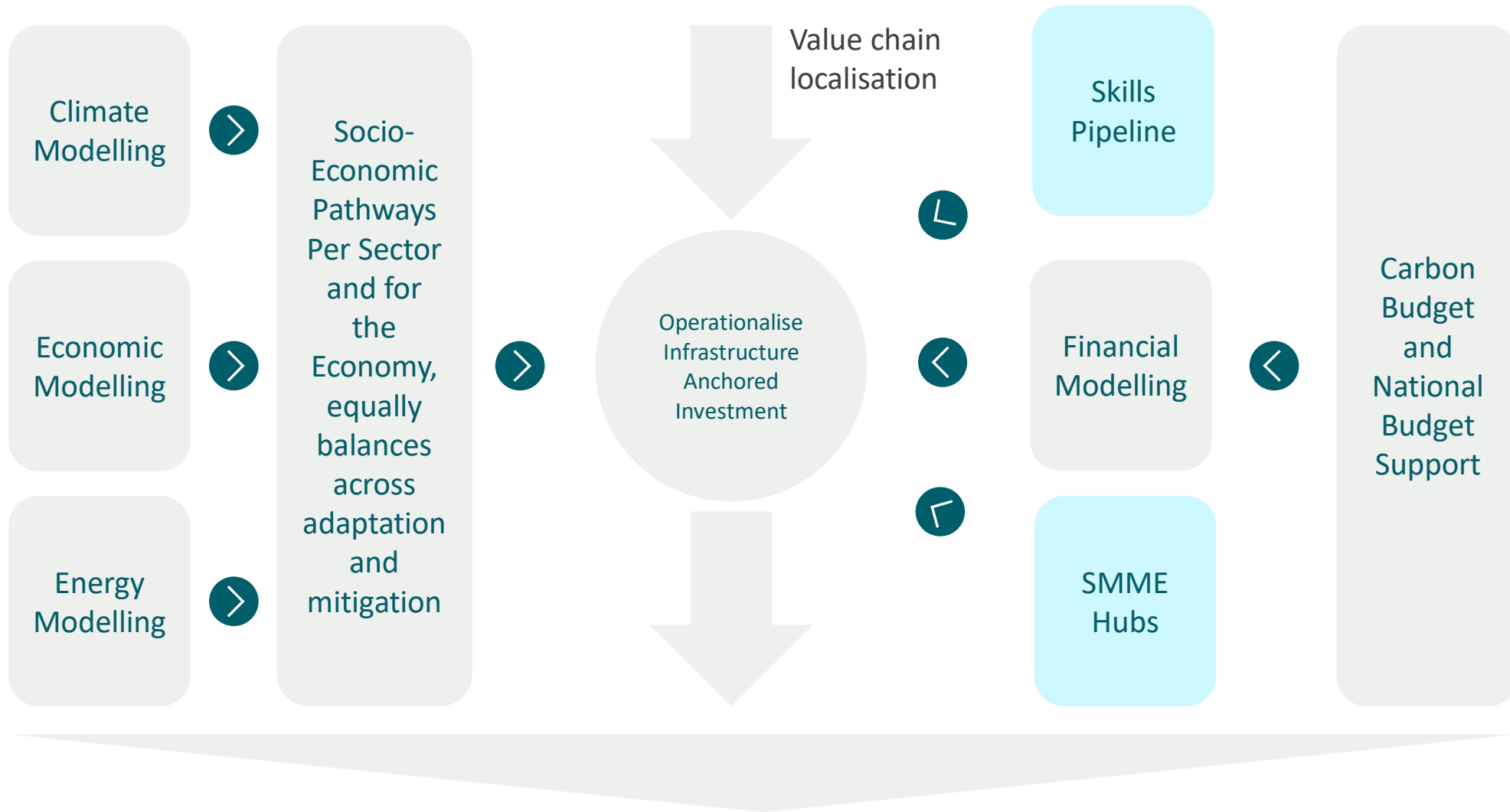
Localist discourse:

local action is key, finite world, finite resources, survivalist

Grassroots change



BUILDING INFRASTRUCTURE THAT DRIVES A LOW CARBON COMPETITIVE ECONOMY AND THAT ANCHORS JOB CREATION AND INCLUSION IS ONE OPPORTUNITY



In pursuit of a common vision of an equitable, inclusive economy

QUESTIONS AND THANKS

