TRADE & INDUSTRIAL POLICY STRATEGIES

POLICY BRIEF
FOR THE PRESIDENTIAL CLIMATE COMMISSION

UNEMPLOYMENT AND SUSTAINABLE LIVELIHOODS: JUST TRANSITION INTERVENTIONS IN THE FACE OF INEQUALITY

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This working paper has been commissioned by South Africa's Presidential Climate Commission (PCC) as an input to the process of planning for a just transition. Specifically, it forms part of a series that will provide an evidence-based foundation for a new "Framework for a Just Transition"—a practical guide to ensure that South Africa's transition to a low-emissions economy is well-managed, just, and equitable. The Framework will also build on existing just transition debates in the country, the vision set out by the National Planning Commission, and a new series of thematic and social-partner consultations that will gather a diverse range of views on what it means to achieve a just transition.

The views expressed in this paper represent those of its authors, and do not necessarily reflect the views of the PCC or its Commissioners.

About the Presidential Climate Commission:

The PCC is a multi-stakeholder body established by the President of the Republic of South Africa to advise on the country's climate change response and pathways to a low-carbon climate-resilient economy and society. In building this society, we need to ensure decent work for all, social inclusion, and the eradication of poverty. We also need to protect those most vulnerable to climate change, including women, children, people with disabilities, the poor and the unemployed, and protect workers' jobs and livelihoods. The PCC facilitates dialogue between social partners on these issues—and in particular, defining the type of society we want to achieve, and detailed pathways for how to get there.

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ABBREVIATIONS

GDP	Gross Domestic Product
DHS	Department of Human Settlements
DPWI	Department of Public Works and Infrastructure
Nedlac	National Economic Development and Labour Council
NEVA	National Employment Vulnerability Assessment

1. INTRODUCTION

Like most, if not all countries, South Africa's economy is built on a foundation of fossil fuels whose use extends beyond direct economic activity into households. Entire industries depend on the use of at least one fossil fuel as a production input, while households (whether engaged in direct economic activity or not) continue to depend on fossil fuel-based energy, transportation and products for daily life.

Further to that, South Africa is the most unequal country in the world, with an estimated 30 million people living below the upper-bound poverty line. Even as the country reported its highest trade surplus on record for the second quarter of 2021, 1.4 million fewer people were employed compared to the second quarter of 2019. The surplus, mainly driven by a rise in the price of mineral products such as platinum, brings to the fore two things: a) the extent to which South Africa, like most African nations, still depends on exports of natural resources to drive export growth; and b) the limitations of mining, and by extension, the minerals-energy complex in driving inclusive and sustainable growth. Coal mining, for instance, employs approximately 90 000 people (or 0.7% of national 2019 employment) and accounts for less than 2% of GDP, yet coal processing by Eskom and Sasol makes up more than half of the country's total emissions (Makgetla and Patel, 2021).

As South Africa attempts to move away from fossil fuels in an effort to cut emissions, one important policy question is on how to ensure that the transition is inclusive, and does not leave poor households and unemployed people behind.

Although the just transition is not a fix-all bandage, it presents an opportunity for the country to take an ambitious approach that reduces emissions and environmental damage while expanding the kinds of economic opportunities available to communities. As the Centre for Environmental Rights (2021) notes, the just transition has the *"potential to be transformational and to progress the participatory, distributive and restorative justice required for a more stable and resilient society".* Simply, a managerial approach only concerned with directly affected workers and, to some degree, directly affected communities, while key, does not address the root causes of the country's structural problems and the historical harm experienced by communities (Montmasson-Clair, 2021:4). Instead, such an approach is likely to exacerbate existing inequalities and limit potential for growth as the biophysical impacts of climate change become even more pronounced.

Undoubtedly, policymakers are aware of the need for South Africa's transition to be more than a just energy transition. However, placing a sense of urgency in first addressing the just energy transition while setting aside the broader just transition is a miss-step that will likely recreate and compound existing structural inequality. The just energy transition and the broader just transition are intrinsically linked. Moreover, the biophysical impacts of climate change are felt across the country, regardless of people's economic participation and resources.

It is particularly important that unemployed people and poor communities are supported as part of the just transition. Unemployed and poor people are, on the whole, more vulnerable to the impacts of climate change and policy responses to climate change. This because they lack the resources to recover from adverse climate events, and the resources necessary to transition to new technologies and build resilience. Various researchers (Islam and Winkel, 2017; Hallegatte, et al., 2016; Hallegatte, Fay, and Barbier, 2018) have written about the way in which climate change worsens existing poverty and inequality.

This paper seeks to add to that discussion by making the case for why South Africa's just transition must be proactive in its inclusion of unemployed people and poor communities in all just transition-related conversations and policies. It first explains why moving beyond the status quo is necessary, and then provides brief profiles of the unemployed and households to understand what resources these groups have. Lastly, it proposes some interventions that can be used to build resilience for these affected groups, and at the same time build local manufacturing capacity and create jobs and other economic opportunities.

The brief does not, however, discuss the employment implications for workers in value chains directly affected by the just energy transition, such as coal mining and related downstream industries, agriculture, tourism and other manufacturing. Various studies, including the National Employment Vulnerability Assessment (NEVA) (Makgetla, et at., 2019) have undertaken such work.

2. MOVING BEYOND THE STATUS QUO

The concept of a just transition is deeply rooted in the protection of workers from likely job losses as governments and businesses pursue environmentally friendly policies, production processes and technologies. However, as the environmental damage of industries in which the job losses will occur has far-reaching impacts beyond the loss of jobs, affected communities must be supported such that they are resilient to the biophysical and economic impacts of climate change and the related policy responses. In addition, wide-scale policy responses for creating new decent and "green" jobs should focus on creating new opportunities for those who stand to lose jobs, while also creating opportunities for the millions of South Africans who largely remain on the margins of the economy.

In its report on the Climate Change Bill, the National Economic Development and Labour Council (Nedlac, 2020) proposes that decision-making must *"consider the special needs and circumstance of localities, economic sectors and people that are particularly vulnerable to the adverse effects of climate change, including vulnerable workers and groups such as women – especially poor and rural women – children, especially infants and child-headed families, the aged, the poor, the sick and the physically challenged"*. In so writing, Nedlac and its constituencies propose that active steps must be taken to ensure that affected communities, particularly those who are already vulnerable due to their gender, physical ability or location for instance, are not neglected in the just transition process.

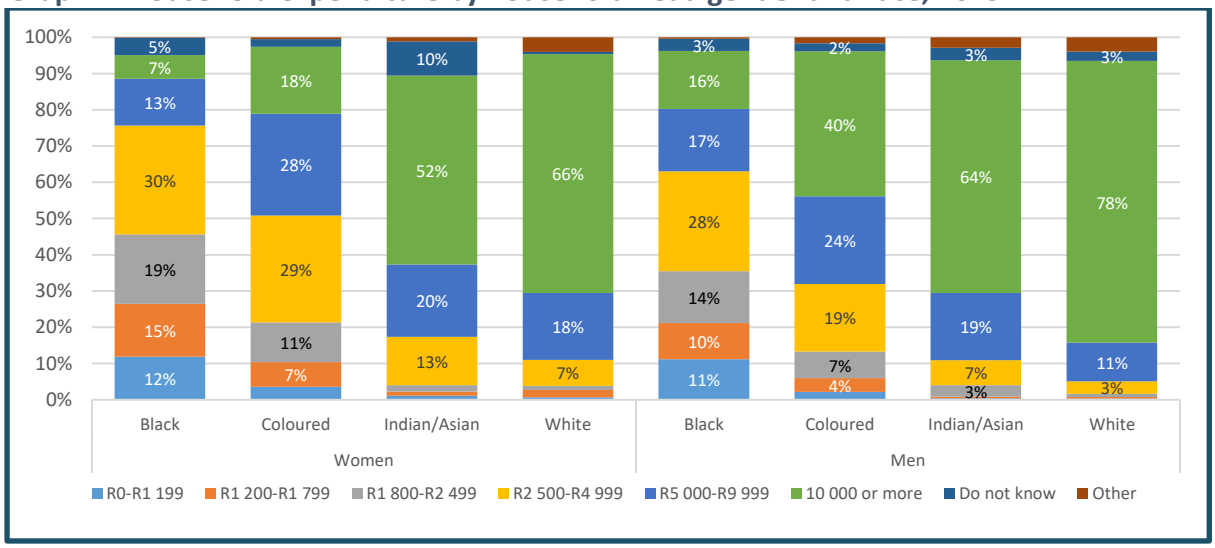
South Africa's economic growth has been stagnant over the past decade, while inequality has grown, largely due to employment losses and deindustrialisation. Mineral resources remain the main driver of export growth, even as various policy tools, such as the Industrial Policy Action Plan and Industry Master Plans have been used to promote manufacturing as the foundation of the economy. Excluding those minerals needed for renewable energy technologies (lithium and cobalt for example), the chance to use the minerals-energy complex to drive growth and create opportunities has passed. As the country moves to achieve its climate targets, new opportunities must be identified in new industries, and the economy must, in essence, be created anew. This is to say, power and resources must be used for the collective good. In particular, they must be directed toward the creation of decent jobs and sustainable livelihoods for communities and households. Further to that, the power and resources of the state must be used to address the root causes of structural inequality,

including skewed ownership of resources and unequal quality education opportunities, which further serve to worsen vulnerability in the face of climate.

Successful reduction of total emissions requires elimination of coal use in energy generation and petrochemicals (both of which account for more than half of total emissions) (Makgetla, 2021), and decarbonising transport infrastructure. However, mitigation alone is not sufficient when measured against climate-related adverse weather events whose frequency and damage is ever increasing. For many poor communities, resilience is a major problem that cannot be addressed without support from the state and business (which must be guided by state policy and planned interventions). Absent any interventions to support poor households and communities, only those with resources will be able to transition and be resilient against the impact of climate change and related policy responses.

The gap in resources, and its impact on a community or household's resilience is evident in the way in which poor people who live in informal settlements struggle to rebuild after floods. It is also evident in who has access to renewable energy technologies. To illustrate,[1] Graph 1 shows 2019 household expenditure based on the gender and race of the household head. Black women-headed households generally have little spending capacity. About 76% of those in Black women-headed households had expenditure below R5 000 in 2019. In contrast, about 78% of those living in White men-headed homes had expenditure at or above R10 000. Access to renewable energy technologies like home solar energy and electric cars, for example, is biased towards high-income households, which are more likely to be headed by white men. For instance, about 0.6% of those living in White men-headed homes used solar panels, compared to 0.1% of those in Black women-headed households and 0.3% in White women-headed homes (calculated from Statistics South Africa 2019 General Household Survey).

Graph 1. Household expenditure by household head gender and race, 2019



Source: Author, calculated from the labour market dynamics survey data downloaded in September 2021 from http://www.statssa.gov.za/.

[1] This is to illustrate capacity to access technologies based on a household's resources, rather than a discussion on household decarbonisation. Household access to renewable energy technology is low in South Africa, largely owing to the cost of such technologies. Additionally, household decarbonisation is not a particularly urgent issue beyond energy and transport. These technology data are simply for illustrating the relationship between resources and access to technology.

3. DEFINING THOSE LEFT BEHIND[2]

In the absence of systematically targeted policies, inequality begets inequality, and for those without resources to navigate a crisis, the impact is compounded. The COVID-19 pandemic has made visible the ways in which access to resources enables resilience in times of crisis. For instance, while many private school learners moved to online classes following the announcement of a national lockdown in late March 2020, public school learners were left to their own devices (and for about nine million of those children, without meals) even as the country introduced the lockdown to limit the health impact of the virus. In addition, hurried attempts to address problems like overcrowded classes and lack of sanitation infrastructure before the return to school meant that public school learners lost even more educational time, leading to what Amnesty International (2021) calls a "lost generation of learners". The outcome is deepening inequality, and with such educational inequality, possible loss of future economic opportunities for a generation of young South Africans, the majority of whom are Black.

Similarly, severe weather events, whose incidence is increasing as a result of the climate crisis, disproportionately affect poor communities. For instance, those in informal settlements often build their houses with materials that easily spread fires, and often no drainage infrastructure exists to keep water flowing during a flood. According to Le Roux (2021), South Africa has experienced about R95 billion worth of economic losses from 90 noticeable weather-related disasters since the 1980s. Yet less than 20% of those losses were covered by insurance, so communities had to rebuild on their own, where that was possible.

Given the high level of inequality in South Africa, the state must ensure that the just transition does not leave the poor and unemployed behind.

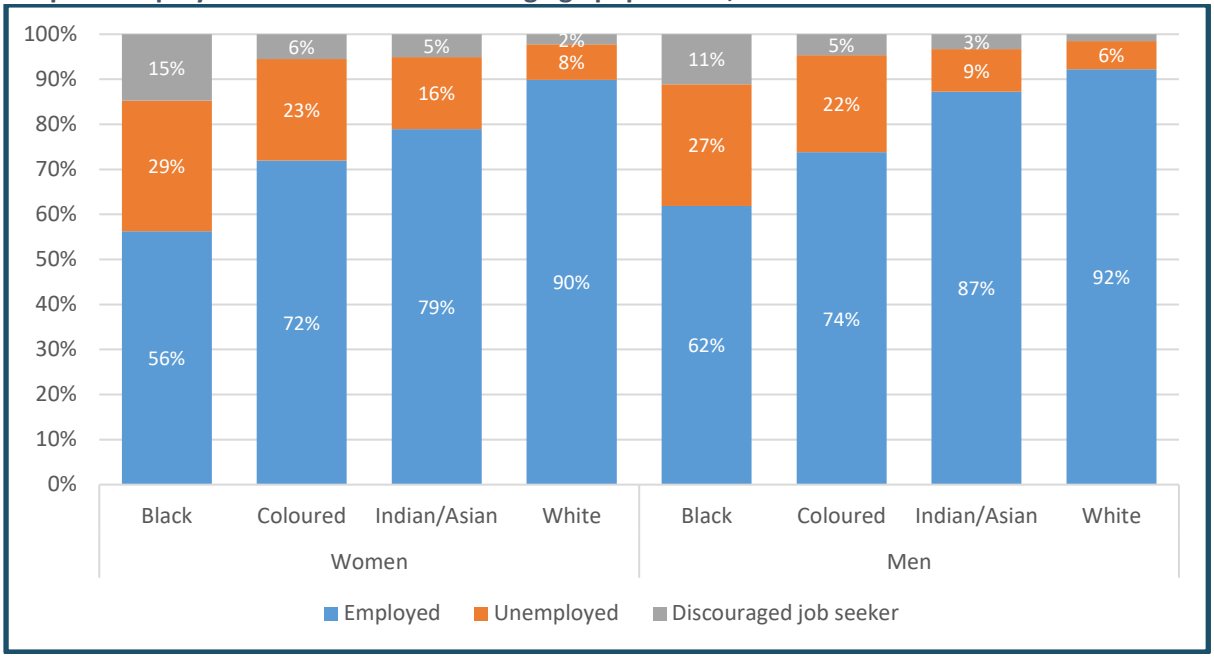
As explained in the interventions section (Section 4), the state can use existing measures to target those who are poor and unemployed, while also protecting workers from job losses. This section provides an overview of the characteristics of unemployed individuals in South Africa, along with an overview of the characteristics of households. This is with the view that understanding what resources people have or do not have can help the state plan for an inclusive and just transition.

3.1. Unemployed individuals

About a third of South African working-age adults are unemployed. Employment, like other economic indicators in South Africa is deeply gendered and racialised. Graph 2 shows employment status for 2019 disaggregated by gender and race. At around 61%, women are less likely than men to be employed (66% employment for men). However, if disaggregated by race, Black women face higher levels of unemployment compared to women of other races, and men in general. In addition, Black women are more likely (about 15%) than women of other races, and all men to be discouraged job seekers; with only Black men reaching double-digit levels, though still lower than for Black women.

[2] The data used for this analysis come from the Labour Market Dynamics survey and the General Household Survey, both from 2019. These data, especially the Labour Market Dynamics, are particularly useful as they include far more variables than the Quarterly Labour Force Survey, and thus allow for better disaggregation.

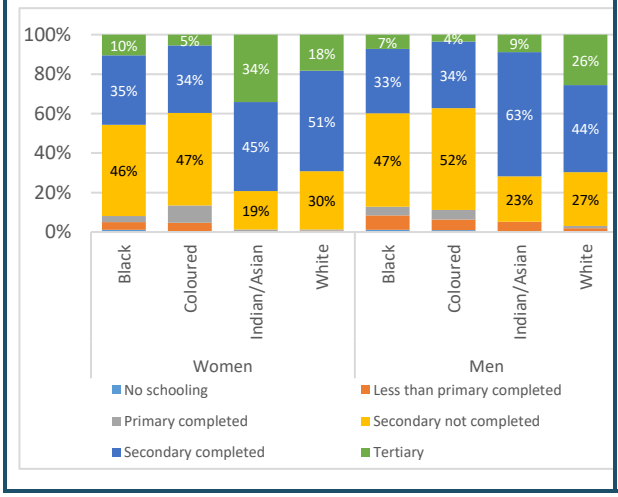
Graph 2. Employment status of the working age population, 2019



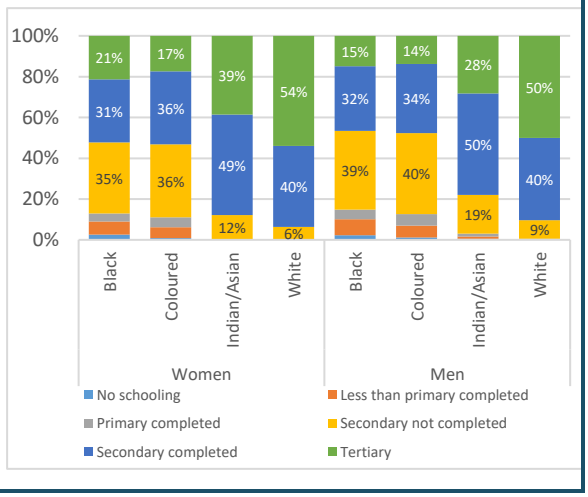
Source: Author, calculated from the Labour Market Dynamics survey data downloaded in September 2021 from http://www.statssa.gov.za/.

The majority of employed South Africans (about 65% of the total) have some secondary education, or have completed secondary education. A higher proportion of employed coloured women (71%) and coloured men (73%) had some secondary education or had completed their secondary education. The trends are similar among Black and Indian employees (see Graph 4). In all, about 22% of South Africa's workforce has completed tertiary education. Nevertheless, the education attainment trend is similar among the unemployed. Admittedly, only about 9% of those who are unemployed have completed a tertiary qualification. The majority (about 81% nationally) of those who are unemployed have some secondary education, or have completed their secondary education. Essentially, there are no significant differences in the educational attainments of the employed and the unemployed in South Africa (Graph 3 and Graph 4).

Graph 3. Unemployment by educational attainment, gender and race, 2019



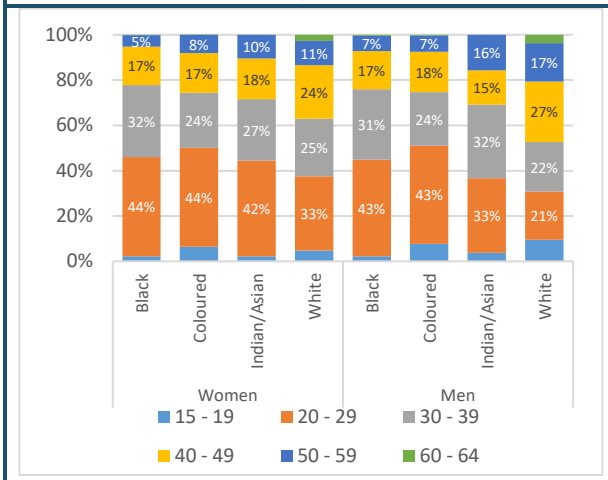
Graph 4. Employment by educational attainment, gender and race, 2019



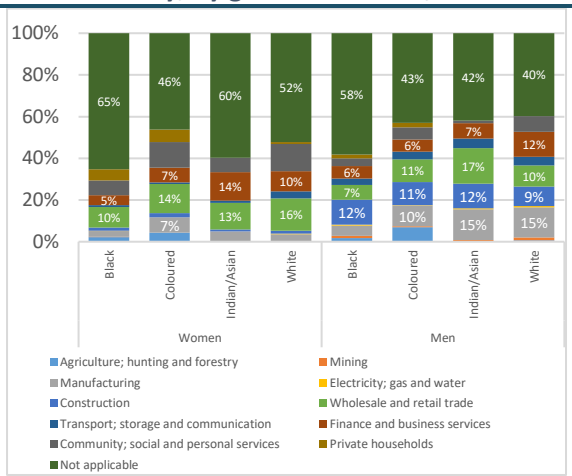
Source: Author, calculated from the Labour Market Dynamics survey data downloaded in August 2021 from http://www.statssa.gov.za/.

About 76% of Black women and 74% of Black men aged between 20 and 39 years were unemployed in 2019, compared to 58% for White women and 43% for White men (see Graph 5). In addition, as Graph 6 shows, about 65% of unemployed Black women and 60% of Indian/Asian unemployed women are not linked to any previous industry of occupation, suggesting that those people have never worked before, and thus have no previous work experience to draw on.

Graph 5. Unemployment by age, gender and race, 2019



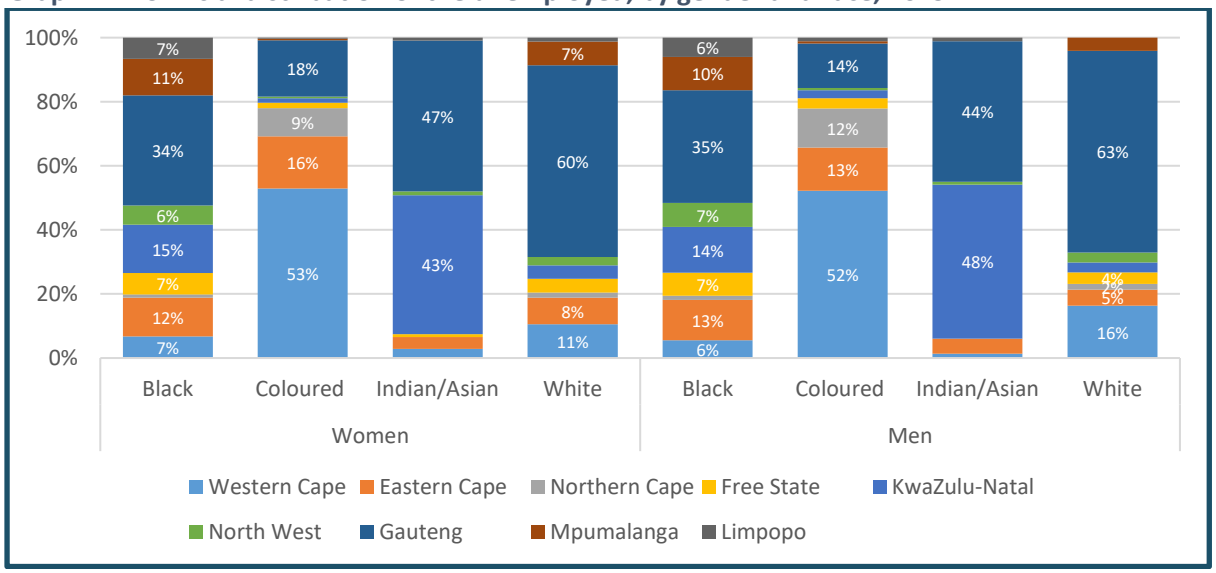
Graph 6. Unemployment by previous industry, by gender and race, 2019



Source: Author, calculated from the Labour Market Dynamics survey data downloaded in September 2021 from http://www.statssa.gov.za/.

Graph 7 shows provincial distribution of those who are unemployed, based on gender and race. At least a third of unemployed South Africans of different races and genders lived in Gauteng in 2019, with another 14% in KwaZulu-Natal, 12% in the Eastern Cape, and 10% respectively in Western Cape and Mpumalanga. Disaggregated by gender and race, the data show notable changes. Based on the data, about 73% of unemployed Black women lived in four provinces in 2019 (Eastern Cape, KwaZulu-Natal, Gauteng and Mpumalanga). In contrast, the majority (70%) of unemployed Coloured women lived in Western Cape and Gauteng.

Graph 7. Provincial distribution of the unemployed, by gender and race, 2019

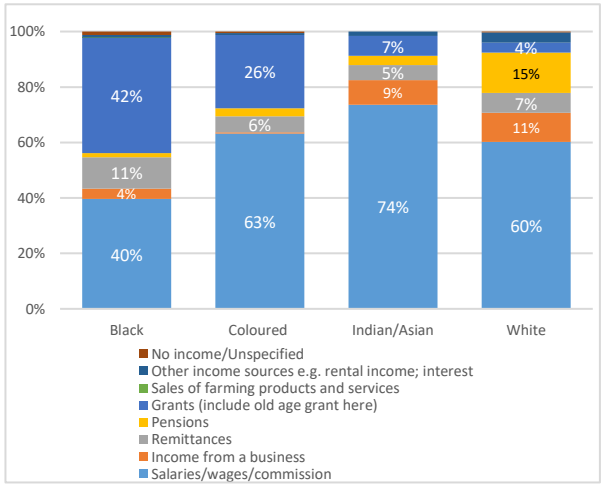


Source: Author, calculated from the Labour Market Dynamics survey data downloaded in September 2021 from http://www.statssa.gov.za/.

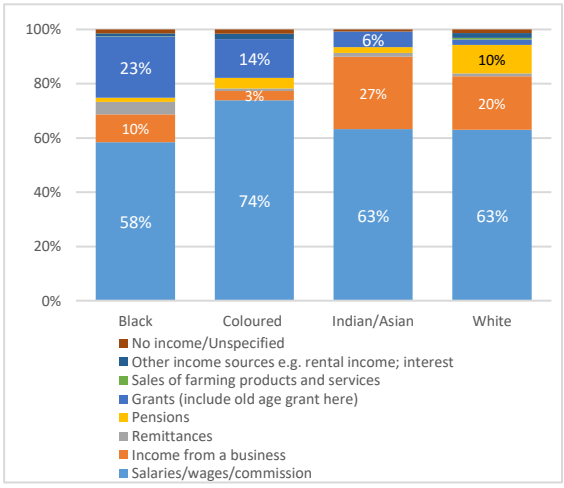
3.2. Households

The data in this section are for the whole country, not just unemployed people. Graph 8 and Graph 9 show income sources based on the gender and race of the household head. The majority of South Africans live in households where the main source of income is a salary, a wage or commission. Notably, only about 40% of those living in Black women-headed households depend on salaries or wages, compared to 63% for those in households headed by Coloured women, 74% for those in households headed by Indian/Asian women, and 60% of those in households headed by White women. Of concern though is that about 42% of those living in households headed by Black women depend on grants such as the old age grant for income, with another 11% dependent on remittances. About 53% of those living in Black women-headed households depend on the state or extended family members for income. Put differently, roughly 12 million people (about 20% of the South African population), all of whom are Black, are wholly dependent on the state or extended family for survival.

Graph 8. Source of income for households headed by women, 2019



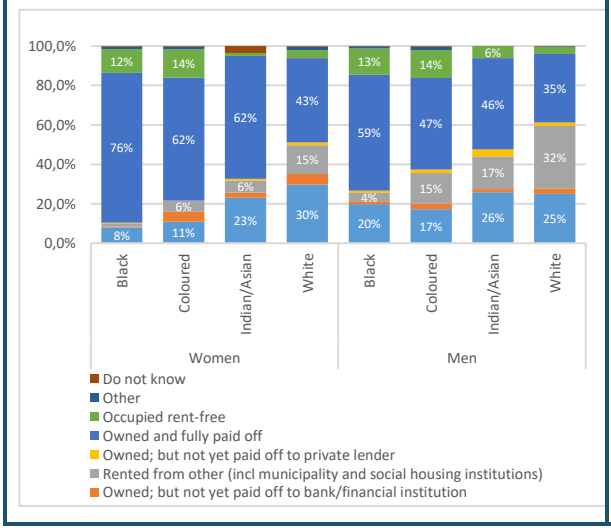
Graph 9. Source of income for households headed by men, 2019



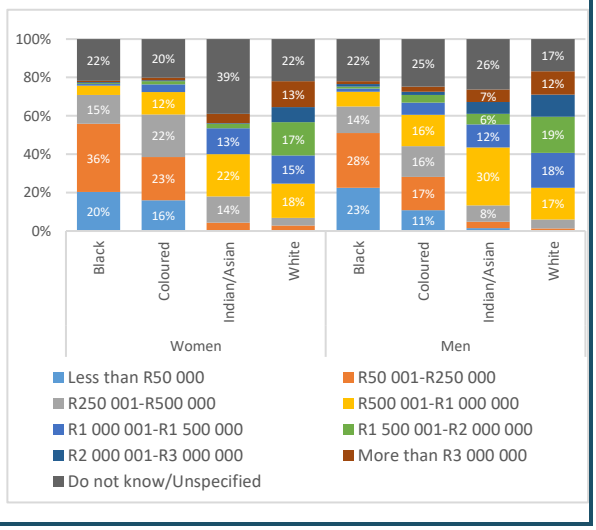
Source: Author, calculated from the Labour Market Dynamics survey data downloaded in September 2021 from http://www.statssa.gov.za/.

The majority of South Africans live in homes that have been fully paid-off, and thus owned by the head of the household. Notably, about 76% of those living in Black women-headed households live in homes that have been paid-off, and are thus owned by the household rather than a lender (see Graph 10). In contrast, only about 35% of those living in White men-headed households live in homes that have been fully paid-off. However, as Graph 11 shows, full ownership of homes headed by Black women is not the result of significant wealth in those households. Rather, it is the result of the low market value of those homes. For instance, about 71% of those living in Black women-headed households live in houses valued at R500 000 or less. In contrast, slightly over half of those living in White men-headed homes live in homes valued at between R500 001 and R2 million. Thus, while White men-headed homes are less likely than Black women-headed homes to wholly belong to the residents, this is because of the high market value of White men-headed homes.

Graph 10. Ownership status of dwelling by gender and race of household head, 2019



Graph 11. Property value of dwelling by gender and race of household head, 2019



Source: Author, calculated from the Labour Market Dynamics survey data downloaded in August 2021 from http://www.statssa.gov.za/.

Unemployment is a big problem in South Africa. So is inequality. That much is widely documented. Nevertheless, proposals for the transition have broadly focused on those who stand to lose jobs as a result of the just energy transition. However, given the extent of inequality in South Africa, the state must find a way to lessen the burden of climate change on the unemployed and poor households which lack the resources to build resilience on their own. This can be done through increasing resources to existing programmes that already support the poor, including through climate proofing housing and public infrastructure, as explained in the next section.

4. INTERVENTIONS FOR ENSURING RESILIENCE

The gendered and racialised nature of inequality in South Africa genders and racialises the impact of climate change and related policies. Pursuing a just energy transition largely focused on those already participating in organised economic activity, while crucial, will recreate and further entrench existing inequality. Delaying action on a broader just transition that includes poor households as well as poor communities will likely make it harder to build such a just transition in future. Rather, communities must be assisted with building resilience and adapting to new technologies now, using public services for example, so that any negative impact of the just energy transition is lessened.

Numerous interventions have been proposed as part of the just transition. Montmasson-Clair (2021), for example, covers a range of interventions based on different forms of justice that South African can pursue through the transition. In addition, the Sector Jobs Resilience Plans (TIPS, 2020) cover various interventions at value chain level, for five different value chains (agriculture, tourism, metals, coal and petroleum-based transport). Governance, which is an important part of the transition has also been covered through the NEVA process, with another upcoming policy brief aimed at addressing this issue. Thus, rather than adding more interventions, the proposals in this paper aim to address the issue of building community resilience through public services, which can also serve as a tool for job creation. Building resilience through public services is particularly important for poor households and communities that lack the resources to build resilience on their own. These interventions

focus on using existing and allocated resources to build household and community resilience, albeit with the view that resources would need to be increased as the state begins to actively pursue just transition-related projects.

4.1. Public services to ensure household and community resilience

4.1.1. Climate resilient housing and public infrastructure

Building resilience

"Our houses look like a river and we have been trying to get the water out with no luck" – a resident from Khunqu informal settlement in Cape Town (cited by Luhanga and Nocuze, 2020). Preparing for the storm, other residents *"tried to put some sand on the floor"*, but that too did not protect their homes from flooding. The biophysical impacts of climate change – storms and fires for instance – cause significant damage to property and livelihoods each year. Most South African homes are not climate proof, more so for homes in informal settlements where no drainage systems exist to get keep rain water flowing and prevent property damage. Black households, especially those headed by Black women are particularly vulnerable because, as discussed in Section 3, they are more likely than other groups to lack resources that would help them build resilience.

As part of addressing climate impacts on livelihoods, the state can, through its extensive Department of Human Settlements (DHS) and Department of Public Works and Infrastructure (DPWI) budgets, establish systems and projects to climate proof existing and future housing funded through the DHS budget, as well as upgrade public buildings and other public infrastructure through the DPWI budget. This money already exists. In its 2021 budget for instance, DHS plans to spend R41.7 billion to subsidise low-income housing over the medium term, and another R22.4 billion to fund bulk infrastructure through its Urban Settlements Development Grant. A further R24.8 billion is allocated to provinces and metros for upgrading and formalising about 300 settlements per annum, over the medium term (National Treasury, 2021). Funding need not pose a constraint on climate proofing publicly funded housing. However, given that not all homes are publicly funded, the state can subsidise other low-income households that do not receive state-funded housing to climate proof their homes. Beyond housing and public buildings, other infrastructure must also be climate-proofed, especially in areas that are vulnerable to flooding. Roads for example are not immune to severe weather-related impacts, especially through extreme heat or floods (EPA, 2017a). This in particular raises public safety concerns, and could impact on supply chains, especially with the bulk of South African freight transported by road.

The role of industrial policy

The state can use its extensive business funding infrastructure to fund, in whatever form is deemed appropriate, organisations working on new technologies that address climate change. These would include organisations that manufacture carbon-neutral building materials for instance, which already operate locally. The view in this instance is that this would a) help rebuild the country's production capacity; and b) create sustainable and decent jobs and new export products. Commercialisation is still a problem in South Africa, including for products that are directly linked to reducing emissions. The Joule (the electric vehicle developed in South Africa in the early 2000s) was never commercialised even as about R300 million was invested to develop it (Hussain, 2019). Another example is the locally developed thin-film photovoltaic cells (Maseko, 2020) used to manufacture solar panels. These are generally cheaper because they use thin-film rather than crystalline

silicon cells, however, the product has not been commercialised locally, leading to licensing by overseas-based companies.

Localisation policies must play a central role in building domestic manufacturing capacity for renewable technologies and other "green" technology (including construction materials). Nonetheless, for success, localisation tools like designation require proper planning, including building and ensuring that local manufacturing capacity exists, ensuring adequate renewable energy supply for manufacturers, and other support such as is provided by the Department of Trade, Industry and Competition and development finance institutions, among other issues.

4.1.2. Inclusive roll-out of low carbon public transport

Building resilience

The resilience plans for the petroleum-based transport value chain (TIPS, 2020) discussed some proposals around decarbonising South Africa's transport sector, focusing on taxis and private vehicles in particular. This proposal builds on those proposals. Added here is the need to rebuild and expand the country's rail transport infrastructure. Of concern is that although the Green Transport Strategy acknowledges the need to expand rail transport to a wider segment of the public, the document seemingly focuses on expansion and accessibility only for the middle class (Department of Transport, 2018:20).

Public transport, particularly that funded by public funds, should be accessible to everyone, including poor communities with barely any transport infrastructure. Expansion of rail services is particularly important for reducing transport-sector emissions, and limiting traffic congestion, which has required the expansion of road infrastructure. Although passenger rail (through the Passenger Rail Agency of South Africa) is targeted to be upgraded over the coming years, it is not clear if plans for expanding passenger rail beyond the four provinces where it currently exists, have been drafted.

South Africans spend a significant share of their income on transport, with reports of up to 50.4% for those in metros and more than 20% for those in rural areas (Gedye, 2020). However, because they are subsidised through public funds, rail and bus services have the lowest costs compared to taxis. If rail services are expanded across the country, poor South Africans would have access to low-cost transport that is also decarbonised. Moreover, shifting freight to rail would also lower the final cost of the very goods that poor households buy, including low carbon technologies.

The role of industrial policy

Expanding rail infrastructure would create both short-term and long-term jobs during the build and roll-out phase of the infrastructure. It would also support the country's rail rolling stock manufacturers by providing demand for their products during the build process and during maintenance. South Africa, through partnerships with foreign-owned equipment manufacturers, has created a local build programme for rail rolling stock. However, inconsistent local demand and an inability to compete globally remains a concern for the industry. A manufacturing programme to support the expansion of public rail transport across all nine provinces, with the view to expand to export markets, would serve to grow the sector, while providing decent jobs which expand people's resources and therefore improve their ability to adapt to new technologies and mitigate against the impact of climate change.

4.1.3. Inclusive roll-out of other low-carbon technologies

Other crucial low-carbon technologies that should be part of the just transition interventions for poor households and communities include, for example, solar home systems, water efficient devices (like those used in toilets for example) and smart-agriculture devices that can monitor the health of crops and livestock. Water efficient devices especially can be a proposal combined with the building of climate-proof housing as part of the roll-out, while smart agriculture devices can be funded and rolled out through existing agriculture support programmes. Importantly though, state funds for the procurement of these devices should go to local manufacturers. This will require local businesses to ensure that they have local production capacity for such products in order to access state tenders.

4.1.4. Investments in community services like education and healthcare

Nothing is more important to a democracy than an informed, well-resourced, and healthy citizenry. As Graph 3 and Graph 4 show higher educational attainments increase a person's likelihood of getting a job and thus improves the capacity for climate resilience given access to an income. In addition, as it relates to health, climate change has been shown to affect people's health (EPA, 2017b; WHO, 2018), which in turn overwhelms public health systems and redirects funds away from other essential programmes, including those involving the just transition. As has been shown by the COVID-19 pandemic, well-resourced and managed public health systems are more resilient in times of crisis, and can quickly deal with the crisis, thus reducing the amount of public funds that would have otherwise been spent on a long-term crisis.

The healthcare intervention in particular is two-fold: a) climate-proofing infrastructure like homes and public buildings with technologies that adapt to changing temperatures and that are protected from flooding can reduce the negative health impacts of climate change; and b) properly resourcing the healthcare system to deal with the diseases of the future that come from changing temperatures and weather patterns will ensure a resilient health system accessible to poor communities.

4.2. Redistribution of investments

Concentration of economic activity, particularly in Gauteng where inward migration was driven by apartheid-era segregation policies that created the so-called former homelands, has remained largely unaddressed in the post-apartheid era. As a result, Gauteng, the smallest province in the country, is also the most populated and therefore takes a big share of public and private investment. At the same time, provinces like Limpopo and the Eastern Cape remain relatively poor. Changing the distribution of public and private investments would go a long way in creating economic opportunities in other regions of the country. Not only would this increase economic activity in these regions, but it would also help to create resilient communities that can respond to the impacts of climate change.

As Francis and Randall (2017) note, availability of major infrastructure such as transport infrastructure, utilities and higher education infrastructure are significant factors to consider when making business location decisions. In turn, where business is located, economic activity, including informal economic activity, grows and enables communities to build their own resources. The state can help with building economic hubs in different regions by providing the necessary infrastructure that would enable new businesses to set up their operations. Further to that, the state can use existing industrialisation tools like special economic zones to incentivise private investments in under-developed regions.

As Graph 6 shows, with the exception of those who have not previously been employed, unemployed South Africans have worked in a range of industries, including manufacturing, construction, wholesale and retail trade as well as finance and business services. These are people with different skills that can be transferred to new industries with the right training. However, considerations must also be made for how economic opportunities will be made accessible to those without skills, the majority of whom are Black women.

5. CONCLUSION

Racialised and gendered inequality is entrenched in the South African economic psyche. While gains have been made since 1994, the majority of South Africans still face the impact of inequality on a daily basis, through unemployment, poverty and overall lack of economic opportunities. With the growing climate crisis, this inequality will be exacerbated by loss of resources like housing to severe weather events. Further, communities that have faced little to no public investment will be more affected as lack of resources impacts on households' ability to adapt to and mitigate against the impact of climate change.

The overall success of South Africa's just transition in the coming decades will be measured through its ability to address existing inequality while also building, through various public services, resilience. There is no need to reinvent the wheel to address this issue. Rather, as discussed above, the state can use existing funds (with the view to increase that funding in the long term) and collaborate with the private sector to support both the transition process and reindustrialisation of the economy using low-carbon technologies.

However, this requires consistent and long-term policy ambition that is clear on the magnitude of the problem, and is willing to explore a variety of proposals that on the surface might not seem directly linked to the just transition, but nevertheless help to build the required level of resilience and create and protect sustainable livelihoods in the country. This will require collaborative efforts between the state, business and communities. Moreover, it will require the state to be clear on the level of climate justice it seeks to pursue as part of the transition, which in turn will guide businesses and communities on the level of work and investments they have to pursue.

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