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Skills for Green Jobs  
ILO Skills Integration and CEDEFOP Project

*Low Carbon Economic Growth in South Africa – from Coal to Green Energy?*

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## The South Africa story – coal to Renewables & EE?

Current policy is inconsistent – the market has tended to be a more effective driver

Going forward there is potential for policy to effect structural change

Skills gap exists across all sectors – will hamper the development of a low carbon economy

A cohesive approach is needed – and green skills are likely to be additional



## Current policy is inconsistent..

### **With tensions between local, regional and international political standpoints**

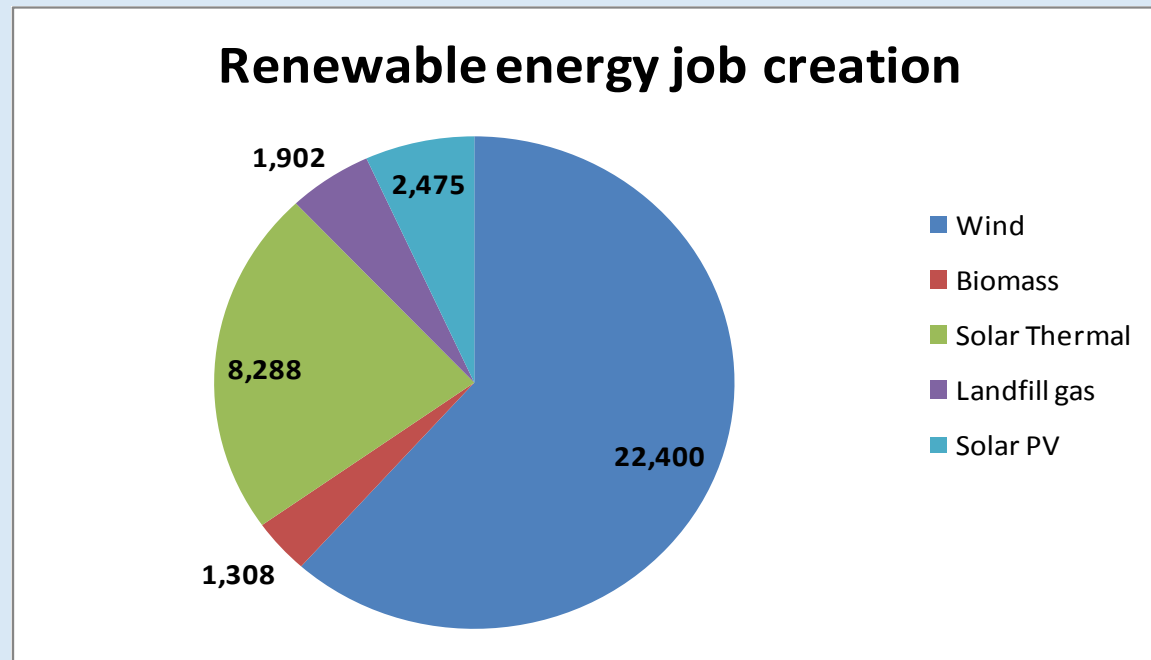
- Young democracy, strong growth and increased equity in access >last 10 yrs
- LCE transitioning not a political nor growth priority; growth has exhausted energy generation capacity
- Heavily dependent on coal as a source of 'cheap' electricity; tariffs low
- SA still redressing inequalities; skills inequality remains a challenge– labour market increasingly dysfunctional
- SA committed to reducing emissions to 34% below BAU levels by 2020 yet next 3 power plants are coal plus 3 refurbishments
- Clear DSM targets and REFIT agreed – neither are being implemented



## Power generation is creating jobs..

### RE Sector is demonstrating potential..

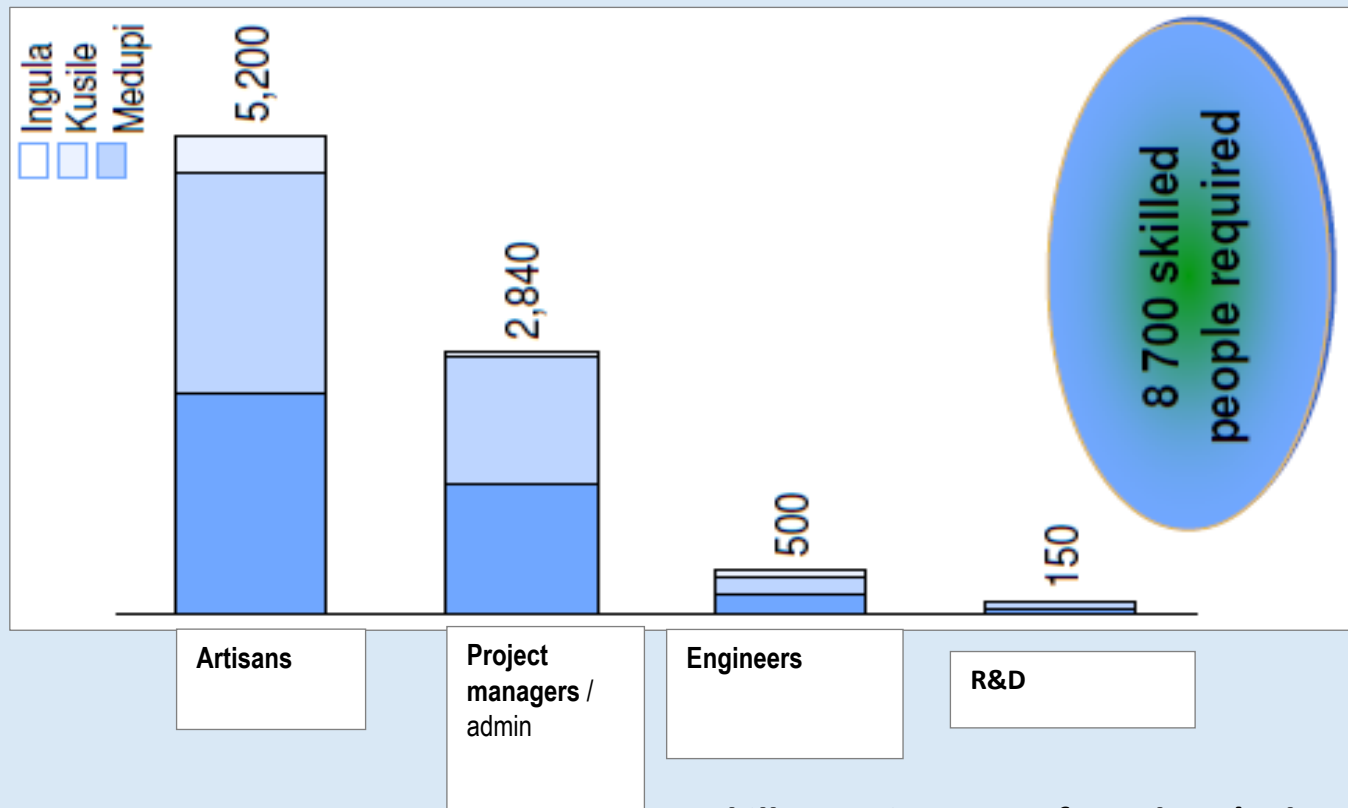
SA RE target is 10,000 GWH by 2013 (4-5%). Mid-term <1% - unlikely to reach 30%.  
If did, 36,400 direct jobs by 2020 plus 110,000 indirect to the economy.



Direct job creation in renewable energy in 2020 (Agama, 2003)



# With coal demonstrating economies of scale now..



Skills requirements for Eskom's three new power stations: Medupi, Kusile and Ingula (Eskom, 2009)



## Skills development in SA is in a state of flux

***The green skills pathway can be updated almost daily at present, but it is fragmented with no cohesion***

- Seen substantial changes in our education system and in vocational and occupational training processes, many of which have proven not to work - further reassessment and changes
- Frequent gaps between policy and related skills – private sector leads or nothing happens
- But, RECENT dramatic change evident in the EPWP and IPAP 2 (1m jobs created to date in public infrastructure and works) – green skills are a by-product



## Skills gaps across the economy – hamper LCE path

- RE and EE demand has increased – skills not there to fill the gap
- Coal is here to stay so many RE jobs are/will be additional
- BUT mining overall has declined and the economic crisis has affected manufacturing
- We need to draw from the existing labour market – AND we need to create additional skills – vocational training processes
- The need to generate additional power is driving RE, but scale is still small – no economies of scale yet for green skills – but is there in coal



## Restructuring in the making...



*A cohesive approach is needed – and green skills are likely to be additional*

- SA at bottom of LCE curve – not yet consistent as to our approach
- **LCE opportunities and the related job creation potential equation not yet visible**  
– job creation remains the major driver – as does economic growth
- We still have to see the worst of the economic crisis – many feel that the economic crisis is a far bigger problem for Africa than CC...
- Leadership & centralised, coherent policy part of the solution – across the board: develop coal – with clean coal tech, CCS and RE simultaneously and ***ensure the skills policy matches the development policy***



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## What do we need to do next?

***Build the job creation opportunity argument in transitioning to a Low Carbon Economy –i.e job creation is likely to be the driver***

***Align policies – and drive from the highest level in government – and this is not only a green skills prerequisite!***