



Briefing Paper 327

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Navigating Towards a Green Economy

"We have no choice but to develop a Green Economy.... There is significant opportunity for the development of a Green Economy in Southern Africa, and which extends to other parts of the continent"

- Jacob Zuma, President of the Republic of South Africa

1. Introduction

A 'green economy' can be defined as one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. This type of economy is characterized by substantially increased investments in economic sectors that build on and enhance the earth's natural capital or reduce ecological scarcities and environmental risks.¹ At the end of the COP17 talks in 2011, South Africa adopted a Green Economy Accord. This is an ambitious social pact aiming to build partnerships to create 300 000 new jobs by 2020 in economic activities as diverse as energy generation, manufacturing of products that reduce carbon emissions, farming activities to provide feedstock for biofuels, soil and environmental management, and eco-tourism. This briefing paper will examine certain aspects of the green economy such as the types of jobs involved, the financing of the concept, global transition, and the Green Accord; the paper will also touch on a roundtable discussion recently hosted by CPLO on Navigating Towards a Green Economy.

2. Global Transition

There are a number of critical transformations required in order to bring the green economy more fully into existence. These include renewable energy; low-carbon transport; well-designed cities comprising energy-efficient buildings; clean technologies; improved waste management; tourism; sustainable agriculture, forestry and fisheries. Manufacturing industries

consume one-third of the global energy supply, emit a quarter of the world's greenhouse gases, and represent a significant part of primary resource extraction. Accordingly, the prospect of potential advances from investing in improved resource efficiency across a range of key manufacturing sectors deserves exploration. Water scarcity is becoming a global phenomenon that will challenge the future of nations. Current water allocation, pricing and investment policies and practices are undermining opportunities for economic and social progress. Improved freshwater provision is required to cater for rapidly increasing demand for access to clean water.²

3. Finance

It is essential to keep in mind that a global green economy transformation will require substantial financial resources. A considerable amount of investment will be needed in energy supply and efficiency, particularly in greening the transport and construction sectors. Fortunately, various opportunities exist to meet the financing needs of a green economy. The rapid growth and increasingly green orientation of capital markets, the evolution of emerging market instruments such as carbon finance and microfinance, as well as green stimulus funds are opening up space for large-scale financing for a global green economic transformation. Financial investment, banking, and insurance are the major channels of private financing for a green economy. However, these investments need to be driven by, or supported by, national policy reforms and the development of international policy and market

infrastructure.³

4. South Africa's Green Accord

As mentioned above, COP17 resulted in the Green Economy Accord which saw South African social partners comprising business organisations, trade unions, community organisations and government forming partnerships, thus presenting a unique opportunity for South Africa to create jobs that will alleviate poverty, as well as address concerns about climate change. The parties committed to the rolling out of one million solar water heating systems by 2014/15; and increasing investment in the green economy, including through the Industrial Development Corporation (IDC), private investors and retirement funds. The agreement also deals with:

- the procurement of renewable energy as part of the energy generation plan;
- the promotion of bio-fuels for vehicles;
- the establishment of clean-coal initiatives to reduce the emissions from the use of coal-based technologies;
- the promotion of energy efficiency across the economy;
- the retrofitting of domestic, industrial and commercial buildings to promote energy efficiency;
- waste-recycling;
- the reduction of carbon-emissions on the roads by means of an improved mass transport system;
- a move towards transporting cargo by rail;
- the electrification of homes in poor communities; and
- the reduction of fossil-fuel cooking and heating.

The Accord also envisages important secondary benefits involving the promotion of locally produced goods, youth employment, co-operatives and skills-acquisition through economic development in the green economy.⁴

5. Jobs

A significant aspect of this new economic system has to do with the type of work that can be created for people if the green economy principles of ecological sustainability, social justice and state intervention, are effectively executed. Two particular types of employment

deserve consideration: climate jobs and green jobs. Climate jobs are described as jobs that reduce the causes and impacts of climate change. They reduce the amount of greenhouse gasses we emit, helping to ensure that we prevent certain irreversible effects of climate change; they have the ability to build our capacity to adapt to the effects of climate change using a decent (safe, socially protected, secure and fairly waged), people focussed and state driven approach; and climate jobs take care of essential services, such as water, energy and sanitation while combating careless over-consumption. If all the relevant stakeholders are successfully engaged, the 1 Million Climate Jobs initiative which aims to create jobs in the renewable energy, construction, transport, tourism and waste sectors, could very well be a vehicle that can lead South Africa to numerous climate jobs⁵.

Green jobs, on the other hand, may be found in the form of environmentally friendly jobs that do not pollute or harm nature. These jobs do not necessarily have anything to do with the reduction of greenhouse gas emissions or building the resilience of communities to withstand the consequences of climate change.⁶

6. The Roundtable Discussion

As mentioned, the CPLO hosted a roundtable discussion on 24 May 2013, entitled 'Navigating Towards a Green Economy', which was addressed by Dr Leanne Seeliger of the Human Sciences Research Council (HSRC) and Dr Jeff Rudin of the 1 Million Climate Jobs Campaign. Dr Seeliger introduced the concept of the Green Economy and the appeal thereof before articulating some of the steps that could lead to a green economy. These steps revolved around the implementation of efficient pricing mechanisms and regulations; novel innovation and industrial policies; appropriate labour market policies; improved management of natural resources; as well as adequate infrastructure. The shortcomings of the scheme lie in its inability to value the ecosystem and nature, the high and immediate costs of green infrastructure, and the inadequate financing tools available for its functioning.

Some of the questions she left the audience to ponder included whether what we were seeing was 'green-washing' – i.e. mere cosmetic change – or major restructuring for a green economy; how the green economy's success will be measured;

whether the Green Accord is an integral part of government's priorities; how it connects with the activities of other departments, such as extractive mining; and whether the country has committed sufficient finances to implement the Green Accord.

Dr Jeff Rudin presented a paper entitled, "The Longest Suicide".⁷ He began by examining the pattern whereby world leaders and experts in various fields declare the urgency with which climate change needs to be combated, yet fail to embark on sufficient concrete action to do so. A two degree increase in global temperatures, which is supposedly 'safe', is likely to result in the disappearance of small glaciers in the Andes; a threat to 50 million people's water supply; widespread deaths from malaria, diarrhoea, and starvation; a further 30% reduction of water in South Africa and the Mediterranean; as well as the melting of Greenland's ice shelf, with sea levels rising by up to 7 meters. The likely consequences of a four degree increase include three million more people being killed by malnutrition; the extinction of approximately 40% of species; the demise of Australian agriculture; and a 35% decrease in African agriculture yields.

One of Dr Rudin's main objections concerning the green economy was that it is touted as the solution for climate change and its grim consequences; this while also being responsible for the eradication of all forms of poverty and inequality. He argued that the green economy, whether by design or otherwise, serves to deflect attention from the capitalistic nature of the economy, in which climate change has its foundation. In doing this, the green economy becomes an integral part of the problem rather than its magical solution. The presenter also delved into the issue of 'green' versus 'climate' jobs, noting that linking jobs to climate change makes climate change relevant to the mass of the South African population for whom life has little meaning beyond daily survival; and that the linkage is further enhanced if the jobs involve service delivery and/or savings in the cost of energy, water and food.

The discussion that ensued was most interesting due to the distinct content of the two presentations. Most participants attended the roundtable talk in order to learn more about the green economy, so finding out about its positive and negative aspects led to a barrage of questions and a robust discussion. Issues such as the

pitching of ideas in the political arena in order for them to be applied, the North-South debate, and the tracking and financing methods of the green economy were explored. A most pertinent question alluded to the morality behind promising people jobs, and possibly giving them false hope, when the road ahead is going to be an economically thorny one before it smoothes up.

7. Conclusion

The increasingly distressing levels of environmental injustice and inequality can be attributed to our current economic approach. An economic system that espouses a conscious existence is therefore more than welcome. However, we cannot afford a situation in which the questionable aspects of our current system are merely replaced by a 'green capitalism' focused only on making profits from climate change, rather than solving the problem. There is already discontent about the way in which some ideas regarding climate change rely on unproven solutions such as carbon trading, and carbon capture and storage, while keeping the existing institutions amassing wealth intact.

Our economic future must be one which abates climate change and its impacts while prioritising the needs of working people during the social and economic disruptions that this change will involve. Workers must be given opportunities for re-training and re-employment in new climate-friendly sectors. Many workers in the fossil fuel industries stand to lose their jobs, and the resulting impact must be minimised. It would be disquieting to be part of a generation that ignores overwhelming global consensus that current natural resource constraints and ecosystem pressures require a shift from conventional economic growth paths towards growth strategies that are economically and environmentally sustainable. The green economy trade-off between faster economic growth and the preservation of our environment will have to be managed through our actions; to do so we will need to achieve a three-fold balance between economic sustainability, environmental sustainability and socio-political sustainability.

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(endnotes overleaf)

¹ UNEP – Green Economy: Developing Countries Success Stories - http://www.unep.org/pdf/greeneconomy_successories.pdf

² UNEP Towards a Green Economy - http://www.unep.org/greeneconomy/Portals/88/documents/ger/ger_final_dec_2011/Green%20EconomyReport_Final_Dec2011.pdf

³ http://www.unep.org/greeneconomy/Portals/88/documents/ger/GER_15_Finance.pdf

⁴ Green Economy Accord - <http://www.info.gov.za/view/DownloadFileAction?id=159756>.

⁵ Jobs are envisaged to be created through efforts such as rainwater harvesting; eco-housing and sanitation; reforming the transport sector by increasing the use of public transport; expansion of rail general freight; promotion of a South African owned and controlled shipping industry; and encourage the tourist lodges in the country to source their food through community agricultural projects as well as energy and water efficiency retro-fitting in hotels along with waste management.

⁶ 1 Million Climate Jobs Campaign - <http://climatejobs.org.za/index.php/downloads/category/19-campaign-booklet>

⁷ An edited version of this paper went on to be published in the *Mail & Guardian Newspaper* on 30 May 2013.

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