

Multiple Identities: Behind South Africa's Approach to Climate Diplomacy

Key Findings

- In international climate negotiations, South Africa is widely seen as playing a “bridge-building” role between industrialised and developing countries. This is driven partly by a desire among the country’s post-apartheid leaders to promote South Africa as a responsible actor, a stable economy and a platform for foreign investment in Africa.
- President Jacob Zuma’s voluntary greenhouse gas emissions reduction pledge at COP15 in Copenhagen was seen domestically as the country “punching above its weight” in its contribution to global mitigation action. This reaction can be understood by looking at the domestic challenges the country faces.
- Economic and political constraints make coherent domestic climate policy difficult to implement. Expanding energy access has become an urgent political priority, while the dominant minerals-energy complex sets powerful corporate interests and potentially the labour movement against ambitious efforts to tackle GHG emissions.
- Relations with both Africa and major emerging economies such as China, India and Brazil are important influences on climate diplomacy and on foreign policy generally. Balancing such divergent interests is therefore challenging.
- These balancing acts help explain South Africa’s preference for using multilateral channels to resolve international issues, including climate change. Multilateralism helps soften any perceptions of working against its key foreign policy partners. It also helps build legitimacy for South Africa within the rest of Africa, where international political norms have been strongly influenced by a history of colonial intervention

Introduction

Both the “first” and “third” worlds co-exist uneasily in South Africa. The country is undoubtedly a major regional economy, contributing around 30 per cent of Sub-Saharan Africa’s total GDP. Owing to abundant reserves of coal, South Africa’s economy has attracted large, energy-intensive industries, and consequently its *per capita* greenhouse gas (GHG) emissions are high by world standards – and by far the highest in Africa.

At the same time, the country suffers enormous economic inequality. Its 2010 Human Development Index ranking of 110th in the world reflects the fact that much of the population has yet to benefit from economic growth, and many people still have poor access to energy services. Addressing this energy access deficit and boosting employment are arguably the two highest political priorities for the country’s leaders.

Energy is also South Africa’s greatest challenge from a climate policy perspective. As shown in Figure 1, the sector produced 78 per cent of the country’s GHG emissions in 2000 (the latest year for which a sectoral breakdown is available), a large part of which comes from energy industries, including electricity generation.

In the international sphere, South Africa has taken an active leadership role in negotiations in recent years, brokering cooperation both within the G77 and between industrialised and developing countries. The country’s approach to international climate diplomacy has been shaped to a large extent by two tensions: between



Jacob Zuma, World Economic Forum 2010 ©flickr/WorldEconomicForum

domestic and foreign policy priorities, and between the competing interests of key international partners.

Domestic dynamics

An array of vested interests, as well as structural and institutional barriers, make implementing ambitious climate policy in South Africa a challenge. The existence of more pressing domestic priorities also means that climate change is largely marginalised as a political issue, reflected in sparse media coverage.

Fragmented government responsibility

Within government, responsibility for climate policy is an increasingly congested, if not contested, space. The DEA has lead re-

sponsibility for both domestic policy development and for the country's participation in international climate negotiations, and also convenes the *National Climate Change Committee* as a forum for industry and other non-government stakeholders to discuss climate policy. At the same time, various carbon tax proposals have emerged from within the Treasury (see box, right), while the Department of Energy coordinates a long-term resource and energy planning process, the Integrated Resource Plan (IRP), that will have major implications for the country's future GHG emissions trajectory.

The creation of the Intergovernmental Committee on Climate Change and the establishment in 2009 of the National Planning Commission, however, suggest attempts at greater coordination of climate policy.

Industrial interests

South Africa's abundant coal and low electricity prices have attracted energy-intensive industries such as steel and aluminium production. The economy thus involves powerful industry actors whose interests align with this minerals-energy complex. Low electricity prices have also discouraged private investment in the electricity sector, resulting in major supply shortages in 2008 and an urgent push for new capacity to be built.

In this context, two companies stand out as central to climate policy dynamics: Eskom and Sasol. Eskom is a vertically integrated, state-owned organisation and virtual monopoly player in the electricity market. It has actively pushed for expansion of coal-fired generation capacity, including the 4800 MW Medupi power station, but has been unsupportive, if not hostile, to renewable energy. The company has also been widely criticised for making it difficult for independent power producers to enter the market with renewable energy supply.

Sasol, the country's largest point-source of GHG emissions, produces liquid fuels from coal and plays a strategically important role in the domestic energy market. Unlike Eskom, Sasol's operations are highly specialised, which makes diversification virtually impossible and means the company is highly vulnerable to the introduction of an economy-wide carbon price.

Both Eskom and Sasol maintain close relationships with the government, and some observers suggest they have more influence over South Africa's domestic energy policy than the

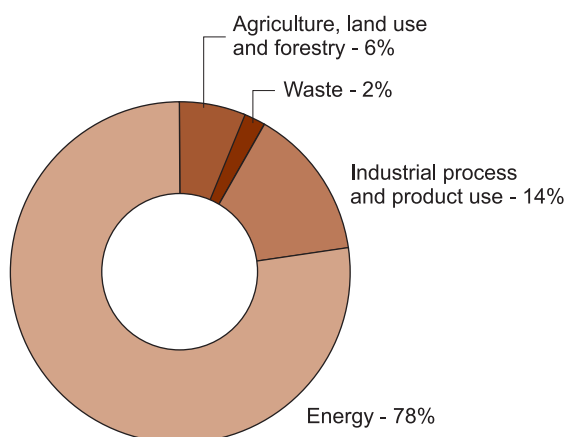


Figure 1: Sectoral breakdown of South Africa's GHG emissions for the year 2000

(Data source: National Climate Change Response Green Paper 2010)

Domestic climate policy

In 2007 the Department of Environmental Affairs (DEA) coordinated the *Long Term Mitigation Scenarios (LTMS)* modelling exercise, involving academics, industry and government stakeholders as a basis for developing policy options to tackle GHG emissions.

A number of steps to incorporate climate change into national and sub-national policies have since been taken, including the introduction of a levy on non-renewable electricity generation, a renewable energy feed-in tariff (REFIT), a vehicle carbon emissions tax, and a tax on incandescent light bulbs. In December 2010, the Treasury released a discussion paper on the introduction of an economy-wide carbon tax.

Also in 2010, the DEA released a *National Climate Change Response Green Paper*, which outlines proposed national strategies for mitigation and adaptation. At the provincial/municipal level, various governments including Cape Town, Durban and Gauteng have developed climate plans.

Department of Energy. Eskom, for instance reports to the Minister for Public Enterprises, a more senior portfolio in the national cabinet than the energy ministry, and also has permanent representatives on the country's UNFCCC delegation.

Other domestic challenges

The link between industry and climate policy is not just about the corporate bottom line. Labour is also becoming a crucial factor. The unions have thus far been slow to engage with climate issues, but as this changes, they could potentially have a constraining effect on climate policy, given that their members are from existing energy and minerals activities.

Black Economic Empowerment (BEE), introduced in 2007 as a central component of the government's strategy for tackling unemployment, is also a potential near-term constraint. The major BEE institutions are young, capital-poor enterprises, and while they are now woven into the minerals-energy complex, they are not yet present in the immature renewable energy sector. There is consequently little motivation among existing BEE players for a shift to cleaner energy.

There are challenges to progressive climate policy at the institutional level too. Relatively low levels of engagement by parliamentarians on climate issues are mirrored by the fragmented parliamentary oversight of important domestic planning processes. During 2010 for instance, the energy minister apparently often postponed meetings of Parliament's Energy Subcommittee at crucial stages during development of the IRP, inadvertently stifling debate over its direction and its links to other government objectives including climate change.

The ruling African National Congress (ANC) party passed an extensive climate change resolution in 2007 that gives its backing to ambitious efforts to curb emissions and support cleaner energy. More problematically, however, the ANC has direct financial links to the planned Medupi power station, and the ANC Youth League seems eager to continue extracting revenue from the minerals sector (in September 2010, its leader was openly calling for nationalisation of the country's mines – a rhetoric linking fossil fuels with addressing inequality).



CapeTown © Aaron Alteridge

There are also important structural constraints, not least the fact that many South Africans lack access to basic energy services. Expanding energy access is a key domestic priority, and given the present emphasis on fossil fuels, this means increasing GHG emissions.

Although numerous civil society organisations are visible in the climate policy debate, their focus has mostly been on raising awareness about climate change and highlighting links to the poverty and development agenda.

A foreign policy balancing act

South African identity contains elements of both developing country and industrialised economy, and this dichotomy strongly influences how the country approaches international relations, including climate diplomacy. A sense of moral leadership, a neo-liberal view of both national and regional economic development, and a grounding in African “reality” are among the key driving norms.

Successive leaders in the post-apartheid era have sought to portray South Africa as a moral leader and “responsible” international actor. This motivates the adoption of a “bridge builder” role in multilateral fora, including in climate negotiations. It can also partly explain why President Jacob Zuma offered an emissions reduction pledge at COP15 in Copenhagen – to reduce GHG emissions by 34 per cent below “business as usual” projections by 2020 and 42 per cent by 2025, provided international financial support is made available – that many in South Africa consider to be overly ambitious, given the domestic constraints described above.

Increasingly, the desire to be seen as a stable, growing economy and a partner for African investment has led South Africa into broad foreign policy cooperation with major emerging economies, as a means to raise the country’s profile and nurture future economic opportunities. South Africa’s work on climate change with the BASIC group (with Brazil, India and China) is consistent with a broader pattern of geopolitical alignment that also

includes the IBSA forum (with India and Brazil) since 2003 and a recent invitation to join the BRIC forum (with Brazil, Russia, India and China). For South Africa, the other common thread between these various fora is – despite their obvious material and ideological differences – a sense of shared identity, as part-developing, part-industrialised countries.

The complexities of African politics

Africa is central to South African foreign policy, even if their relationship to and role within Africa is complex. While the Southern African Development Community (SADC) is a major trading partner, South Africa has emphasised that its relations with other African states extend beyond purely economic ties and include support for building regional peace and stability.

Former President Thabo Mbeki pushed “African interests” during South Africa’s non-permanent membership of the UN Security Council in 2007-08, and also helped to create multilateral institutions such as the African Union and the New Partnership for Africa’s Development (NEPAD). These attempts to reshape governance relationships and guiding African norms (particularly around the issue of sovereignty, where Mbeki pushed a shift from “non-intervention” to “non-indifference”) also reflect South African efforts to build broader legitimacy for the country’s involvement in Africa.

The rest of Africa has often relied on South Africa for capacity to engage with global negotiation processes, including on climate change. However, South Africa’s alignment with the BASIC group and their role in jointly drafting the Copenhagen Accord at COP15 led to accusations of betrayal of African interests. The recent invitation from China to join the BRIC forum is also reportedly causing tension – especially since South Africa courted BRIC by offering itself as a “gateway” to the continent, a view not necessarily shared by its neighbours. Some fear that South Africa is pushing its capital and its neo-liberal economic agenda across the region to its own economic advantage (the EU-SA Free Trade Agreement, for example, is perceived as detrimental to its SADC neighbours).

Important trends and developments

- Domestic *energy access* and *energy security*, though separate concepts, are often conflated in South Africa. Combined with Eskom's institutional bias towards fossil-fuel based energy sector expansion, this creates a potentially powerful driver for GHG-intensive investments. It will also continue to pose challenges for climate policy.
- Despite their domestic constraints, South Africa's leaders have in recent years been able to engage constructively with international negotiations, and this seems likely to continue in their role as COP17 chair. However, balancing the competing interests of various international partners, along with those of the wider international community, will present a significant diplomatic challenge.
- Despite BASIC's geopolitical importance, South Africa showed at COP16 in Mexico that it is willing to take positions in UNFCCC negotiations that are not shared by its larger partners. Its approach to the issue of a legally binding outcome from the negotiations on Long Term Cooperative Action (LCA), for instance, was opposed by both China and India.
- Both BASIC and the Africa Group favour a continuation of the "two-track" negotiation process under the UNFCCC. It can thus be expected that South Africa, as COP17 chair, will work towards keeping both tracks open, despite pressure from some other parties to set aside the Kyoto Protocol and focus on a single outcome under the LCA track.

The goals of South Africa's international partners in Africa and worldwide do not always converge, which means the country's leaders have a delicate balancing act to achieve, in climate policy and in broader foreign policy. This may explain why over the last decade, they have shown a strong preference for resolving conflicts through multilateral institutions and through the use of "quiet diplomacy."

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