BUSA
BUSINESS UNITY SOUTH AFRICA

JUST TRANSITION SOCIAL DIALOGUES REPORT

Danish Industry

SUMMARY

The Just Transition dialogue series brought together organised business, organised labour, and key government-linked institutions to build shared understanding and identify opportunities for collaboration on South Africa's just transition. Across four dialogues participants explored differing perspectives on the pace and pathways of the transition, the future of coal, and the role of renewables. Despite these differences, the dialogues produced strong alignment on core principles: the transition must be just, planned proactively, centred on employment creation and decent work, and supported by coherent industrial policy, skills development, and social protection. Discussions highlighted opportunities in green industrialisation, renewable energy value chains, and critical minerals, as well as challenges such as inadequate policy certainty, institutional weaknesses, and concerns about labour absorption in emerging green sectors.

The series also underscored the importance of strengthening the skills ecosystem, reforming social protection systems, and mobilizing investment for green sectors. Emerging from the dialogues is a shared recognition that business and labour can jointly shape the trajectory of the just transition. The dialogues recommend the establishment of a flexible bipartite Just Transition Forum—focused on green industrialization, labour market policies, and institutional reform—to deepen trust, enable coordinated action, and provide a collective voice in engaging government on transition-related issues.

INTRODUCTION

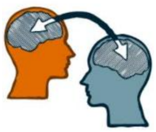
In 2024, Business Unity South Africa (BUSA) entered a partnership with Danish Industries (DI) to facilitate social dialogues and consensus-building on the just transition between business and labour. These dialogues are crucial as it promotes inclusivity and ensures that the voices of both sectors are heard, thus leading to more comprehensive and effective policy formulation.

This dialogue approach allows for a deeper exploration of shared concerns and interests, leading to more nuanced and sustainable solutions. Importantly, this method is likely to work better than a simultaneous delivery approach because it allows for focused attention on specific issues, facilitating meaningful engagement and collaboration between stakeholders. By fostering alignment through targeted discussions, we can build a solid foundation for constructive dialogue and collective action towards a just transition.

Four dialogues were held over the course of 2024 and 2025 with representatives from organised business and labour. This final report seeks to provide context for these dialogues, summarise what was discussed, and offer recommendations for advancing the dialogue between organised business and organised labour on the just transition.

BUSA-DI PARTNERSHIP

OBJECTIVES



Fostering shared understanding

Collaborative implementation

Improved relationships

The BUSA-DI strategic partnership objective is to foster social dialogue by facilitating discussions between business and labour stakeholders to achieve a shared understanding, collaborative solutions, and conflict resolution for a Just Transition. The partnership seeks to build trust, enhance communication, and develop inclusive policies and practices through structured engagement, skilled facilitation, and transparent information sharing between business and labour.

BUSA is a confederation of business organisations including chambers of commerce and industry, professional associations, corporate associations and unisectoral organisations. It represents South African business on macro-economic and high-level issues that affect it at the national and international levels. BUSA's function is to ensure that business plays a constructive role in the country's economic growth, development, and transformation and to create an environment in which businesses of all sizes and in all sectors can thrive, expand and be competitive.

As a principal representative of business in South Africa, BUSA represents the views of its members in several national structures and bodies, both statutory and non-statutory. BUSA also represents businesses' interests in the National Economic Development and Labour Council (NEDLAC).

The Danish Industry (DI) is Denmark's biggest Business Organisation representing more than 20,000 companies in Denmark. The Danish MFA was the funder for the social dialogue series.

DIALOGUE PROCESS

Co-ordinated by BUSA officials, four dialogues were held with identified individuals from organised business and labour. Guest speakers were invited to address the different dialogues, and it was a great privilege for the second dialogue to host representatives from the Danish parliament and Danish Industries.

DIALOUES

1st Dialogue: 09 October 2024

Emalehleni, Mpumalanga

2nd Dialogue: 09 October 2024

SIEFSA Training Centre, Ekhurheleni

3rd Dialogue: 09 October 2024

Sandton, Johannesburg

4th Dialogue: 09 October 2024

Sandton, Johannesburg

The key participants in the dialogue were officials from:

- **BUSA** led by the CEO of BUSA, Khulekani Mathe.
- **DI** represented by Clara Halvorsen and supported by Geeta Morar.
- The **National Business Initiative (NBI),** an independent, business movement of nearly 100 South African and multi-national companies whose role is to build the capacity of their members for change and to create investment opportunities for them.
- The employer body in the metal and engineering sector, the **Steel and Engineering Industries Federation of Southern** Africa (SIEFSA).
- The biggest trade union federation, the **Congress of South African Trade Unions (COSATU)**.
- The largest mine workers union, **the National Union of Mineworkers (NUM**).
- The largest metalworker's union, **the National Union of Metalworkers of South Africa (NUMSA)**.
- **3F**, officials from the largest Danish trade union working in South Africa.

Representatives from the following bodies were also invited to attend certain of the dialogues:

- **Presidential Climate Commission (PCC)**, which is an independent, statutory, multistakeholder body established to oversee and facilitate a just and equitable transition towards a low-emissions and climate-resilient economy.
- **Just Energy Transition, Programme Management Unit (Jet PMU)** in the Presidency, which is mandated to find innovative solutions to JET implementation problems; mobilise and guide sources of finance to address JET IP needs; and ensure transparent monitoring and evaluation of JET IP delivery and results.
- **Just Transition Labour Centre**, a South African research and policy centre established by major trade union federations (COSATU, FEDUSA, NACTU and SAFTU) to provide technical expertise and support for a worker-centred transition to a low-carbon economy.

The dialogues were facilitated by Lisa Seftel, a former Executive Director of the National Economic Development and Labour Council (Nedlac).

JUST TRANSITION

AS A CONCEPT IN SOUTH AFRICA

The concept of a just transition first emerged from the North American labour movement in the 1980s, where trade unions advocated for the protection and retraining of workers displaced by environmental regulation. However, the concept has come to be seen more broadly as a governance framework for managing the equity dimensions of the just transition.

The International Labour Organisation (ILO), which has promoted this agenda, sees the just transition as "anticipating impacts on employment, adequate and sustainable social protection for job losses and displacement, skills development and social dialogue" (ILO 2015, 6).

The BUSA-DI dialogues sought to provide information and develop understanding of the institutions, strategies, policies and programmes of just transition role players. The resulting discussions are reviewed according to the following themes:

- Views on the just transition
- Economic growth & employment
- Skills development
- Social protection
- Financing.

In South Africa, different approaches to the just transition have emerged among organised business, organised labour, and government, with organised business often framing the transition in terms of opportunities for green growth. In contrast, organised labour is concerned about job losses and worker rights. When the Presidential Climate Commission (PCC) was established, it sought to consult key stakeholders and reconcile divergent perspectives, as reflected in the Just Transition Framework (2022). This Framework defines the just transition as follows:

"A just transition aims to achieve a quality life for all South Africans, in the context of increasing the ability to adapt to the adverse impacts of climate, fostering climate resilience, and reaching net-zero greenhouse gas emissions by 2050, in line with best available science."

"A just transition contributes to the goals of decent work for all, social inclusion, and the eradication of poverty. A just transition puts people at the centre of decision-making, especially those most impacted, the poor, women, people with disabilities, and the youth—empowering and equipping them for new opportunities of the future.

"A just transition builds the resilience of the economy and people through affordable, decentralised, diversely owned renewable energy systems; conservation of natural resources; equitable access to water resources; an environment that is not harmful to one's health and well-being; and sustainable, equitable, inclusive land use for all, especially for the most vulnerable." (PCC, 2022: 7).

The Danish Industry (DI) views the just transition as an essential component of the green transition, emphasizing that combining climate action with industrial competitiveness is crucial for future economic growth and social cohesion. Their perspective is rooted in the Danish "flexicurity" labour model, which balances the need for businesses to adapt to changing conditions with a strong social safety net for workers. In addition, the DI believes that the green transition is not only necessary for meeting climate targets but also a primary engine for innovation, competitiveness, and future-proof growth. Issues that they prioritize achieving a just transition include skills development, workforce adaptability, social dialogue, and active labour policies to support individual workers and avoid 'human casualties' of economic change.

As climate change begins to have adverse impacts and mitigation measures are implemented, the concept is being supplemented and developed, for example, to include a greater focus on adaptation, as well as to ensure that the deployment of renewables or low-carbon technologies is also just. (Touza, et al. 2025, 5). Thus, just transition planning has extended beyond considering affected workers to encompass broader stakeholders and beyond securing decent work to facilitate economic opportunities, and beyond collective bargaining to state-wide governance mechanisms.

VIEWS DURING THE DIALOGUES

The social partners have differing views on the need for, and pace required to ensure a just transition, as well as on the extent to which a just transition can 'trickle down' or require proactive government intervention and a whole-of-society approach.

However, despite differences, there was an agreed view that the transition must be just, and that the way to ensure this was to work together, with a focus on unlocking new opportunities, protecting, and creating jobs, providing social protection, and promoting decent work.

It was also accepted that the macro-economic environment and broader economic and industrial policy interventions are required to ensure a just transition. The need for a balance between specific measures for those impacted by policy-induced change and general measures to improve the economy and livelihoods was recognised.

The best way to achieve these balances and ensure a just transition is through social dialogue between the social partners. Organised business and labour working together can shape, push, and strengthen state responses.

There was also consensus that pre-emptive and long-term planning is required for the transition to be just and that local circumstances, not external factors, must determine the pace. Planning would help avoid unjust transitions, such as those in the gold industry and agriculture in the early 2000s.

The most significant differences within and between social partners concerned the energy transition, primarily around the roles of different energy sources, especially the future of coal. Organised labour expressed concerns about being overly reliant on solar and wind power and the need for an efficient baseload from fossil fuels. There was also anxiety about renewables not being able to absorb current jobs in coal and energy, not being labour-intensive and not offering decent work.

Both social partners emphasised that policy certainty and direction from government are critical. BUSA called for policy development to keep pace with developments. In this regard, organised labour raised the need for a code of good practice to guide employers and employees in implementing the just transition at a sectoral and workplace level.

At the second dialogue, the representatives from the Danish Industry and Danish Parliament shared their experiences. They emphasised that social dialogue had been a cornerstone of Denmark's progress, creating a strong foundation for collaboration between business, government, and labour. Over the past 30 years, Denmark has successfully transitioned from fossil fuel dependence to green energy sources like wind and biomass, requiring the active involvement of all stakeholders. This shift highlighted the need for faster investments to expand the green economy and a shift away from fossil fuel subsidies and towards RE subsidies. Unlocking their energy transition was key to driving green economic growth.

Danish MPs also shared key lessons, noting that the country's robust social security system had played a vital role in supporting the transition to renewable energy and that it was in place before the energy transition began. The process of setting up the social security system was negotiated between business, labour, and the state, and the outcome was something affordable and appropriate to all stakeholders. They stressed the importance of state investment, particularly in people, with local governments playing a key role in skills development. Additionally, they highlighted the greater risks of not transitioning, underscoring the need for proactive action.

ECONOMIC GROWTH AND EMPLOYMENT

Participants stressed at the dialogues that a growing economy will enable a just transition – ensuring job security and creating more jobs. Organised labour argued in the third dialogue that “the transition will not be just because affected workers have been placed in similar jobs, but because we have continued to provide employment and decent work during a transition”. This is particularly important because the just transition is happening in the context of high unemployment, poverty and inequality.

At the fourth dialogue, BUSA raised concerns about whether the South African government and business were sufficiently responsive to opportunities created by climate change, such as initiatives in the auto sector, alternative uses of mining land, and progress on critical minerals.

The dialogues heard how green industrialisation and leveraging the clean energy value chain present valuable opportunities for inclusive economic growth. The NBI presented at the third dialogue on how it has been working to identify investment and job creation opportunities in renewable energy value chains. They are developing methodologies to identify which renewable value chains have the potential to grow in South Africa and which workers and skills competencies are required in emerging green industries.

While the work the NBI is doing is ground-breaking and they have secured many champions for this work, their approach may not be reflective of business.

Regarding the energy transition, the need to focus on Mpumalanga was recognised. The Jet PMU outlined the work they were doing to support communities, SMMEs, and employment programmes, and stressed the importance of providing this support before coal mines are decommissioned.

It was recognised that investment in new sectors and business models can lead to opportunities for SMMEs and social ownership. Participants welcomed the research and innovation by the NBI and the Jet PMU. Still, they stressed the need for appropriate support for new entrepreneurs, as well as ongoing monitoring, evaluation, and learning.

Government policy and regulation were identified as constraints on more rapid investment in the green economy. For example, Jet PMU highlighted that the lack of local incentives and a charging network is holding back the shift away from internal combustion engines.

Organised labour was concerned that new business models and growth in sectors such as renewables and critical minerals would no longer guarantee decent work.

SKILLS DEVELOPMENT

There was a significant focus in the dialogues on the reskilling and upskilling of workers, both for green industries and more broadly, so that workers have greater flexibility in terms of opportunities. Skills development is not only about reskilling skilled workers and improving managers' skills, but also about addressing recognition of prior learning and enabling young people and those in unskilled jobs to progress.

The dialogues familiarised the participants with the establishment of the JET Skills Desk at the Department of Higher Education and Training (DHET) and a National Just Transition Advisory Forum as part of the Human Resources Development Council (HRDC). The objective of these institutions is to build the capacity in the state and amongst organised business and labour to drive demand-led skills development in sectors such as renewable energy, electric vehicles, and green hydrogen.

To engage the private sector in skills for the just transition, the NBI established the Just Energy Transition Skilling for Employment Program (JET SEP) in April 2024. This programme has developed a methodology for determining skills needs and drilled down on key sectors, including servicing renewables, energy efficiency, e-waste, and HV electricians. The programme has developed several tools and toolkits to support implementation.

While the social partners acknowledged pockets of reform and change in the skills development arena (an 'overlooked success'), they recognised the need to advocate together for greater reform so that the skills system produces the required skills. Areas of reform recognised included improving the TVET system, curriculum reform, providing soft skills, skilling elementary occupations, and data gathering for better skills planning. Organised business and labour recognised that they need to push for change through the new vehicles discussed above and by making existing tripartite skills institutions work more effectively to meet demand-led skills needs. Proposals in this regard made at the fourth dialogue include:

- Increased and concentrated participation of union and business representatives at Sector Education and Training Authorities (SETAs) and sector level to ensure that they were more responsive to demand-led green skills, especially the MerSETA and EWSETA.
- More engagement in workplace skills plan at the workplace level, which may require the capacitation of shop stewards and skills development practitioners.
- Greater involvement of all stakeholders in pilots and demonstration projects, such as those being initiated by the NBI.
- More investment, especially by State Owned Entities, in bursaries and artisanal training in identified sectors.

SOCIAL PROTECTION

Organised labour emphasised the need for social protection to ensure that no workers are left behind. At the fourth dialogue, Cosatu argued that providing social protection was critical to address inequality, ensure social justice, and 'keep our democracy' going. The following options, including those from international experience, were raised:

- Universal basic income grant.
- Skills subsidies.
- Redundancy, re-adaption, redeployment, and relocation allowances.
- Early retirement.
- Extended Unemployment Insurance (in money and time period), including using options like the CCMA TERS.

The options, however, were constrained by insufficient government funds, ineffective institutions such as the UI and CC, the changing nature of employment, which means fewer workers are in formal employment, and the lack of government enforcement, business compliance, and union organisation. BUSA raised that without economic growth, there will be limited resources for a social safety net.

Nonetheless, the need for bridging mechanisms was acknowledged to ensure social stability and prevent a decline in absolute poverty. It was agreed that organised business and labour should work together to find solutions and fix problems when institutions are not working optimally.

FINANCING

The need for sufficient funding to ensure a just transition was raised, as was the need for mechanisms to ensure funds are directed to where they are most needed (second dialogue).

The JET PMU gave a presentation on its initiatives to raise and disburse funds, especially in decommissioning coal power stations, improving transmission, municipal electricity distribution, electric vehicles, and green hydrogen. The JET PMU believes that the funding raised internationally by the government can assist in unlocking private sector investment and thus create greater certainty on timelines. They also have a funding platform for community-based projects.

Organised labour argued that both the public and private sectors must make investments in renewables and energy generation.

LESSONS

In a divided and highly unequal society such as South Africa, the broader political economy will inevitably shape the discourse and the level of trust between organised labour and business and thus the role that they can play together.

The Climate Change space remains contested, with a lack of a national consensus on the role of different energy sources and the pace of the just transition. There are also differences among social partners over the role the state should play in ensuring a just transition. In addition, state capacity for implementation is limited, despite an overall governance framework established by the Climate Change Act.

In this context, the alignment achieved through the BUSA/DI Dialogues is a small step toward bridging these divides. The South African motto of 'united in our diversity' can be meaningfully applied here – let us unite where we can, despite diverse views and interests.

Further, according to Dr Crispian Olver, former Executive Director of the PCC

: "while the PCC has built an inclusive multi-level, multi-stakeholder architecture, using multiple in-person and virtual formats and seeking to reach peripheral communities…many PCC engagements have functioned as informative and consultative rather than deliberative, with limited room for real-time dialogue or influence" (Olver, 2025).

The BUSA/DI dialogue series sought to address this gap and has demonstrated that the space for ongoing common discourse and action exists in at least the following areas:

- **Investment** in new green sectors such as renewables and critical minerals to enable employment creation and income-generating opportunities.
- **Skills development**, both for specialised skills in new green sectors as well as improving the skills system.
- **Social protection**, by reforming and strengthening existing institutions such as the Unemployment Insurance Fund.

Opportunities in these areas could be unlocked, sometimes by government, sometimes by the social partners individually and sometimes by the social partners working together.

The social partners acknowledged that to advance a more equitable and democratic just transition, a shared developmental vision, increased state capacity and inclusive collective coalition building, and joint action are key. This is preferable to arguing over differences in approach.

PROPOSAL FOR FURTHER CONSIDERATION

Arising out of the above and based on the call by the PCC Secretariat's Lebohang Mulaisi for greater social contracting between organised business and labour, the final BUSA/DI dialogue agreed that some form of 'light' coordination between organised business and labour to unlock opportunities and collectively lobby and support government was proposed. It is thus proposed that organised labour and business consider a bipartite just transition forum where greater trust can be built, lessons reviewed, and, if necessary, course corrections undertaken. Where appropriate, business and labour can use the forum to develop a collective voice to lobby government.

Three key focus areas for this forum are proposed:

1. **Green industrialisation and employment creation**

The NBI, on behalf of organised business and the Just Transition Labour Centre (JTLC) on behalf of organised labour, are both doing studies on the impact of climate change on industries and possible opportunities. TIPS economists have completed National Employment Vulnerability Assessments (NEVA) in respect of the coal, automative, steel and agricultural sectors and plan to follow this up with job resilient plans for these sectors. The bipartite forum could be a place to share and engage on these assessments and plans.

2. **Active and passive labour market policies**

Both organised business and labour recognise the need for labour market policies such as job placement, skills development, and unemployment insurance. However, they may differ on whether sufficient policies already exist, whether policies need to be adapted or extended, and what roles government and business should play in this regard.

Organised labour has proposed a Code of Good Practice under the Labour Relations Act to guide employers, trade unions, and the state. The bipartite forum can be a place to discuss further the need for active and passive labour market policies and the role of a Code of Good Practice before more formal engagement at Nedlac.

3. **Reform of institutions**

The dialogues highlighted the need to reform skills development and social protection institutions, such as SETAS and the Unemployment Insurance Fund, to better respond to the imperatives of the just transition. Organised business and labour are part of the governance of these labour market institutions, and the bipartite forum can serve as a forum for discussing how best to coordinate reform efforts.

It is proposed that the bipartite forum is not a very formal structure. It could be:

- Co-ordinated by BUSA as the initiator of the process.
- Have representatives from key business sectors impacted by climate change and all trade union federations, up to about six per side.
- Meet about three or four times per annum.
- Initiate consultations or further dialogues from time to time with affected SMMEs, workers and communities to hear their views.

EPILOGUE

The BUSA/DI dialogue series represents a rare moment of convergence in South Africa's fractured political economy—one where organised business and labour were able to sit around the same table and imagine a shared future. While the climate transition remains contested and the challenges of poverty, inequality, unemployment, and weak state capacity loom large, these dialogues proved that constructive engagement is both possible and necessary.

The just transition will not be delivered by policy alone; it will depend on the capacity of institutions, the quality of social partnership, and the willingness of stakeholders to confront hard trade-offs without sacrificing people in the process. The voices of workers, communities, and businesses—often siloed or adversarial—found productive spaces in this process to recognise their interdependence. The South African motto, "united in our diversity," found practical expression in these engagements.

The proposed bipartite forum offers an opportunity to carry this momentum forward. It is not meant to be another bureaucratic structure, but a living platform where trust can deepen, knowledge can be shared, and collective action can emerge. If nurtured, it can help steer South Africa toward a more equitable, resilient, and opportunity-rich low-carbon future—one where the transition does not simply "happen," but is shaped deliberately and inclusively by those most affected.

In this sense, the dialogues are not an ending. They mark the beginning of a more mature partnership, one capable of holding complexity, bridging differences, and building a social compact around one of the greatest developmental challenges of our era. The path ahead is difficult, but the work begun here demonstrates that a just transition—rooted in dialogue, trust, and shared purpose—is both possible and within reach.