

MEC and the green economy: rising powers and renewable energy

Following the launch of South Africa's renewable energy independent power producers' programme (formerly the feed-in tariff) this paper considers the development of renewable energy in South Africa within the context of its 'minerals-energy complex'. It will focus on the emerging wind industry as part of shifts taking place within the country's electricity sector. In contrast to Eskom's (the national utility) coal-fired power plants which have generated the bulk of the country's electricity to date, the renewable energy sector is being developed largely by independent power producers (IPP) supported by private financial capital and international stakeholders. However despite the introduction of renewable energy and potential changes to the country's generation mix, the "uniquely energy intensive" nature (Fine and Rustomjee 1996:8) of its economic growth strategy has not changed.

With a particular focus on South Africa's Exxaro, the country's second largest coal producer and the largest black owned company on the Johannesburg Stock Exchange, the paper analyses how a number of stakeholders that have traditionally been involved in South Africa's coal-generated electricity are spreading their interests into renewable energy. It further discusses how emerging market companies, such as India's Suzlon have made significant in-roads into the industry since it began to take off in 2011 and in reflection of international trends now pose a credible threat to 'traditional' wind energy companies such as Danish Vestas and German Siemens. Notably, Cennergi, a joint venture between Exxaro and a subsidiary of India's Tata Power now leads in terms of awarded wind capacity under the renewable energy independent power producer's programme. In this sense competition between transnational giants which have long been a feature of South Africa's industrial development (Makgetla and Seidman 1980, McDonald 2009) still applies.

Possibilities and obstacles for South Africa to develop a local manufacturing base and service industry for wind are considered in light of the importance of 'localisation' in a labour-intensive economy with high levels of unemployment. The paper will consider how support for the 'green economy' has gone from being a niche concern promoted by national and international NGOs, to a mainstream issue, embraced at least at the level of rhetoric, by government and traditional MEC stakeholders such as the Industrial Development Corporation. Finally the paper will also assess concerns that as with the country's entrenched coal industry, renewable energy may become a vested interest in its own right (Moe 2007) and in turn a new form of accumulation that may have limited impacts for the reduction of energy poverty and historical inequalities.