THE ROLE OF THE STATE IN A SUCCESSFUL JUST TRANSITION

DEFINING THE TRANSITION EFFECTIVE STATE

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The building blocks of a transition effective state

A state that can successfully deliver a just transition may be referred to as a transition effective state. Transition effectiveness is determined by the strength of transition capabilities. The central long-term goal of a national transition plan should be to develop a transition effective state, through a focused programme to build appropriate transition capabilities. This requires that we have a good understanding of the components of these transition capabilities.

PART 1

DESIGNING AND IMPLEMENTING A SUCCESSFUL JUST TRANSITION: THE CRITICAL ROLE OF THE STATE

1.1. TRANSITIONS VERSUS JUST TRANSITIONS

There is a clear difference between a low-carbon transition and a low-carbon just transition: the former is concerned mainly with achieving a low-emission and climate resilient economy and society, with little focus on the social justice impact of how that is achieved (the transition journey), or the level of social justice or equity in the planned outcome economy and society (the transition destination). In contrast, a just transition prioritises justice and equity in both the transition journey and the transition destination. In a just transition, the design of the journey pays particular attention to those whose livelihoods and lives are currently dependent on carbon-intensive economic activity and ensures that they are not left behind. The design of the transition destination prioritises social justice, equity and the reduction of poverty, in addition to climate goals.

The challenge of transitioning a country to a low-carbon, climate resilient and socially just economy and society is considerable. South Africa's Presidential Climate Commission (PCC) understands the goal of this transition as 'decent work for all, social inclusion, and the eradication of poverty'[1] – clearly aiming for a transition that meets the criteria for being *just*. Achieving that ambitious goal requires defining in detail both the type of economy and society we want to build, developing the detailed pathways that will get us there and identifying the barriers to overcome in that journey.

The state has a central role to play in delivering a just transition: developing the policies and programmes that will guide both the transition journey and set the detailed goals for the transition destination. Given the highly contested nature of the transition in many countries – most notably in the move away from fossil fuels in general, and coal in particular, the extreme complexity and breadth of the transition, and the imperative of rapid action, the burden on the state is considerable. As South Africa's Just Transition (JT) Framework acknowledges: 'The scale of the challenge ... demands an effective State' (p3). In fact, designing and implementing a successful just transition presents the greatest challenge that many states face.

A state that can successfully deliver a just transition may be referred to as a *transition effective state*. In turn, transition effectiveness is supported by strong *transition capabilities*. The central long-term goal of a national transition plan should be the development of a transition effective state, through a focused programme to build appropriate transition capabilities.

1 https://www.nstf.org.za/wp-content/uploads/2022/03/ReportJustTransition.pdf

This, in turn, requires that we have a good understanding of the components of these transition capabilities: exactly what are the building blocks of a transition effective state?

To date, the details of how to build a transition effective state have received little attention in transition narratives, beyond narrow recommendations for an increase in certain technical skills within the state. Notably, there are no comprehensive definitions of transition capability to guide the development of a transition effective state. Part 6 of South Africa's JT Framework emphasises that 'effective governance (is) ... central to achieving a just and equitable transition' (p20). However, no detailed definition of 'effective governance' is offered in the framework, beyond an assessment that there are critical skills gaps across the state, and that accountability and inter-state coordination must be improved. This is a critical omission which this report aims in part to address, through presenting answers to the following questions:

- How can we define a transition effective state?
- What kind of transition capability is needed to create a transition effective state? and
- How can we increase the transition capability of the state?

1.2 DEFINING THE TRANSITION EFFECTIVE STATE

There is currently no definition of what constitutes a transition effective state, but there is a considerable body of relevant work that aims to define a generally effective state. Most of the proposed definitions can be summarised as concluding that an effective state is one that delivers quality services, support social and economic development, and meet the expectations of a wide range of communities (that is, an effective state is a people-centred state). South Africa's National Development Plan (NDP) emphasises the importance of state capability: 'neither social nor economic transformation is possible without a capable and developmental state' (p408). This document describes the ideal (capable) state as 'well-run and effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivering consistently high-quality services, while prioritising the nation's developmental objectives' (p409).

These definitions and descriptions may all have merit, but they are fundamentally describing the *outcomes* of an effective state, and not its *drivers*. That is, they contain little detail about what an effective state *does* to produce these desired outcomes (in other words, the kind of capabilities – beyond 'skilled public servants' – required for a state to be effective), and so are of limited practical utility in guiding initiatives to increase state effectiveness by increasing capability.

McGuiness and Slaughter (2019) offer more useful insights in their proposition that **an effective state is one that can successfully solve problems**; that the fundamental function of a state is to identify problems it wants to solve, and to develop policies that aim to do exactly that (via legislation, regulation, targeted programmes and projects). On the foundation of their definition of an effective state, we could add some further detail, as follows:

- We could measure state effectiveness based on the resolution of identified problems (unemployment, household food insecurity, access to piped water, etc.) over time.
- Additionally, we could add a people-centred development requirement[2] by assessing the extent to which the problems that the state chooses to solve actually reflect the priorities of communities[3] (that is, is the state solving the 'right' problems?)

2 A requirement of transition policy development in many countries and a key component of South Africa's JT Framework.

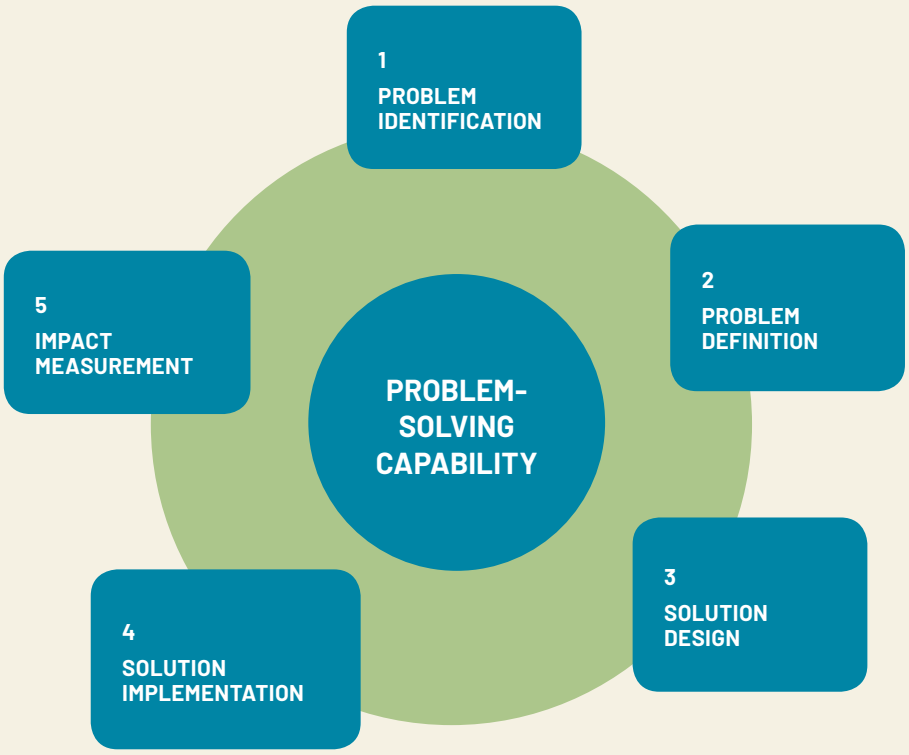
3 In this report, the term community is intended to include all stakeholders, impacted communities and residents.

From this we can derive a working definition of an effective state as follows:

An effective state can identify problems that are priorities for communities and is able, over time, to make meaningful progress towards solving these.

In the case of South Africa's just transition, transition effectiveness will be determined by the ability of the state to solve the following broad problems:

- How to design and implement a transition journey that does not cause harm to communities and local economies that currently depend on carbon-intensive industries for their livelihoods; and
- How to deliver a transition destination (a post-transition society and economy) that prioritises social justice and equity, and that reflects community priorities and aspirations.



TRANSITION CAPABILITY IS PROBLEM-SOLVING CAPABILITY

Whether or not the state can successfully solve these transition problems is, in turn, determined by its transition capability. If we define a transition effective state as one that can successfully identify and solve the priority problems of its just transition, then **transition capability can be defined as problem-solving capability (which covers the entire problem identification – problem definition – solution design – solution implementation – impact measurement cycle).**

Problem-oriented governance prioritises the optimisation of problem-solving processes. The key principle is that good problem-solving processes will generate good solutions, but there are no *a priori* assumptions of what that solution will be. A 'good' solution is whatever is generated by robust and context-relevant problem-solving processes.

PART 2

TRANSITION CAPABILITY IS SUCCESSFUL TRANSITION PROBLEM SOLVING

2.1. PROBLEM-ORIENTED GOVERNANCE

Problem-oriented governance is an approach to addressing complex issues that takes the central problem the state is trying to solve as the starting point for designing interventions to improve state effectiveness, rather than focusing on other issues such as institutional design (Mayne, De Jong and Fernandez-Monge, 2020). Problem-oriented governance forces us to think critically about the (multiple) causes of the problem, with the aim of designing policies and programmes that address these actual causes, not the assumed causes.

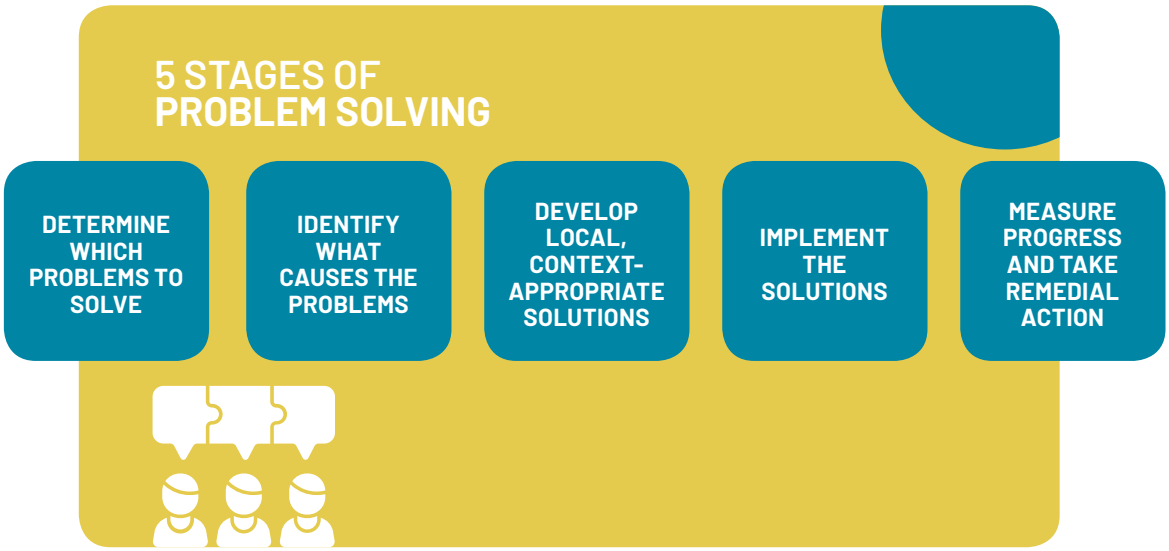
McGuiness and Slaughter (2019) ask the following fundamental question of policymakers: 'Does your policy or solution work for the people it is intended to help or serve?' (p27). They conclude that the answer to this is often 'no'. The reason for this policy failure is not only found in poor policy implementation, although that may certainly be a factor. Instead, they believe that the key issue is the way in which policy making and associated programme design (problem solving) is done: 'Public servants or consultants respond to a perceived need, perhaps the findings of a focus group or ministerial pledge, and they decide that a new service or a reform must be organized. ... The elegantly conceived idea meets a more complex, messy reality, and much too late, after much too much investment, the flaws of the plan are revealed' (ibid.: 28). Their conclusion is that **policy failure as described occurs because the processes of problem solving most commonly utilised by the state are inadequate (that is, problem solving capability is low).**

They describe this dominant problem-solving process as follows: public servants (often in collaboration with designated experts) analyse formal data sets, consider international best practise, consult with a small number of stakeholders (usually representatives of organised business and labour) and then produce a policy which they believe is the best response to the identified problem. This is the public-sector problem-solving process most used in South Africa.

A good example of poor state effectiveness driven by inadequate problem-solving capability is South Africa's child nutrition education programmes. These aim to reduce child malnutrition by educating parents around the details of a healthy diet. Most of these programmes are delivered as designed (that is, are designated as successful), but since nutritional knowledge isn't really the key cause of the problem (the unaffordability of food is the overwhelming driver – Ledger, 2016) they have had practically no impact on reducing child malnutrition, the overarching policy goal they are intended to contribute towards. The real reason for the failure[4] of the nutrition education programme is not that those delivering the educational programmes are unskilled or that there is political interference in delivery, **but rather that the programme itself (the solution generated by the selected problem-solving process) has little to do with the problem it is intended to solve.**

4 We would define this programme as a failure, for the reasons outlined, but it will almost certainly be presented as a success by the organisation in question. This ability to present failure as success is directly linked to losing sight of the problem that the programme is intended to address (actual levels of child malnutrition) and substituting this with the (unrelated) activities of this programme – such as how many people have been reached.

Given the complexity of the transition and its broad scope, the risk of policy failure (the inability to solve identified problems) is high. This further underscores the importance of building problem-solving capability as an essential foundation for a successful transition.



A state with a high level of problem-solving capability can:

1. Determine which problems to solve (that is, community priorities);
2. Obtain a detailed and comprehensive picture of all the factors that contribute to this problem;
3. Develop solutions that are most likely to solve this problem;
4. Successfully implement these solutions; and
5. Measure progress and take remedial action as required.

Problem-oriented governance is very different from solution-oriented approaches, which are the most used approaches in public policy making. Although a problem-oriented approach is obviously aiming to generate solutions, the bulk of the state's efforts are focused on comprehensive and detailed problem definition and diagnosis. Specifically, problem-oriented governance **prioritises** the optimisation of problem-solving processes. The key principle is that good problem-solving processes will generate good solutions, but there are no *a priori* assumptions of what that solution will be. A 'good' solution is whatever is generated by robust and context-relevant problem-solving processes. This open-ended approach to policy making is very different from one that starts with assumptions of what kind of solution (such as skills development or redesigning an organisation) will be 'best'; brackets in advance what will be possible solutions within a particular policy; and pays limited attention to detailed and comprehensive problem definition.

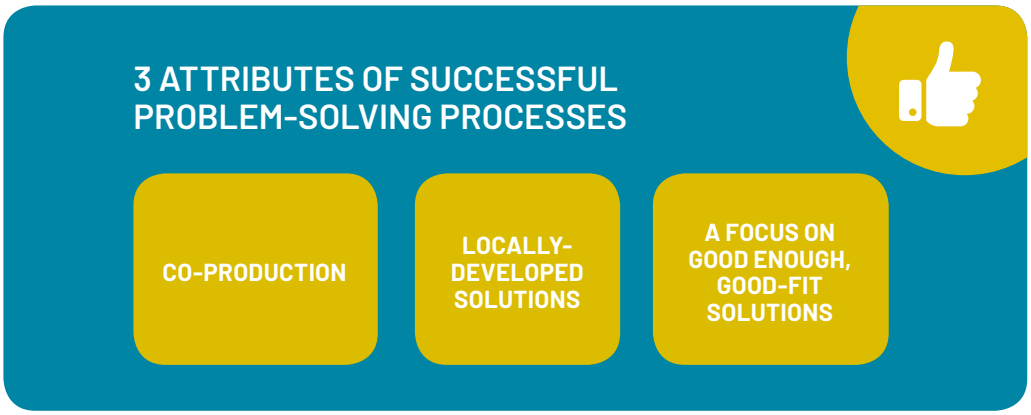
If we define state capability as the ability to design and implement optimal problem-solving processes, what can we conclude about the details of these optimal processes? That is, what kinds of problem-solving processes are associated with a high-capability (effective) state?

2.2. PROBLEM SOLVING PROCESSES THAT BUILD EFFECTIVE STATES

The literature (which includes numerous empirical studies across a wide range of countries) provides important insights as to the kinds of problem-solving processes most likely to be associated with a high capability (effective) state – that is, a state that can successfully identify, analyse and solve its priority problems.

The three most important attributes of successful problem-solving processes may be summarised as follows:

- Co-production;
- Locally-developed solutions that take full account of local context and local priorities; and
- A focus on good enough – rather than perfect – good-fit solutions that achieve incremental change over time.



2.2.1. CO-PRODUCTION

Across the literature reviewed for this research, a common theme is that an effective state is one that does problem solving **in a deeply collaborative manner**. Using a range of empirical studies across developing and fragile countries, Barma et al. (2014) illustrate that high policy failure rates are associated with new policies designed in relative isolation by a small group within the state, who then attempt to impose these reforms with little consultation and/or understanding of the complexities of local contexts. In contrast, state organisations are more likely to meet their policy goals 'if they design programs and adapt implementation based on close consultation with local-level stakeholders' (ibid.: 3).

That is, a general characteristic of successful state institutions across different contexts and countries is their ability to deliver policies and programmes that resonate with broader societal expectations of what the state should be delivering – the social compact. The only way to understand in detail exactly what those expectations and priorities are, is through extensive collaboration with a very wide range of communities and stakeholders, through all stages of the problem identification – problem diagnosis – policy design – programme design – implementation cycle.

Co-production is the commonly used term for this kind of collaborative policy design and implementation, and differentiates it from more orthodox approaches where only a small group of state officials, designated experts and stakeholder representatives are tasked with policy production. Co-production reflects the idea that the users of state services, or the intended beneficiaries of a particular programme, are not just passive objects of development, but are in fact a valuable policy development and implementation resource (McGann, Wells and Blomkamp, 2021).

As an approach towards complex problem solving, **co-production increases the likelihood of accurate, comprehensive and detailed problem diagnosis, and thus successful solution design and implementation**. 'Involving affected citizens in public problem solving can help to reframe problems in more acute and nuanced ways' (ibid.: 301) and thus increases the likelihood of successful problem solving that reflects local priorities.

Co-production brings a number of previously invisible facets of a particular problem to the surface, generating a much more complex (and accurate) picture of causality than can usually be obtained simply by consulting official data sets and conducting a few interviews with limited groups of stakeholders. In a very complex policy environment such as a just transition, where problems are multi-faceted and causal drives are numerous and unclear, the problem definition benefits of co-production are likely to be considerable.

There are additional benefits beyond enhanced problem-solving: **co-production approaches also contribute to building political legitimacy – for both the resulting policy and the implementing organisation – and public trust in state institutions.** Strong political legitimacy is a key factor that characterises successful organisations in different countries (Barma et al., 2014). Co-production tends to generate broad-based support for resulting solutions (even relatively risky ones) and thus contributes towards more successful implementation (McGann, Wells and Blomkamp, 2021). In summary, 'co-production is considered intrinsically valuable *as a process*' (ibid.: 302). This attribute of co-production is particularly relevant to the transition in South Africa, which is highly contested and where rapid progress without the broad-based support of communities is proving difficult.

CO-PRODUCTION IS NOT PUBLIC PARTICIPATION

It is important to emphasise that genuine co-production and current conceptualisations of *public participation* within the South African state are fundamentally different. Administrative practices around public participation generally only start once a policy (and associated programmes) have been designed to at least a final draft stage and have been through an internal approval process.[5] *Participation* or *consultation* almost always takes the form of presenting these already-prepared policies and programmes to local communities to 'explain' them and to invite comments.

These comments seldom result in significant changes (although stakeholders designated as particularly important – usually business or organised labour – may be able to effect some changes when policies directly impact them). This form of participation more closely resembles a loose right-to-agree than it does genuine co-production.

It may be tempting to think of co-production as an enhanced form of those practices of public participation; that if we include more people in consultation workshops and meetings, and have more workshops and meetings, and make material available in more languages and formats, and a host of similar activities, we will meet the definition of co-production. This is a completely incorrect view. The reality is that participation and co-production do not lie on the same continuum; instead, they represent fundamentally different approaches towards policy development.

If we conceive the problem-solving process as commencing right at the start of policy design – in the problem identification and scoping phases – then co-production must be implemented at this point, and not much further down the process as is almost always the case. Genuine co-production requires extensive engagement with McGuiness and Slaughter's 'complex, messy reality' (2019: 28) **right from the very start of the policy design process** and not as a footnote.

Finally, it is important to note that across the literature, co-production is not only about including groups outside of the state (local communities, local business enterprises, etc.) in every step of the problem-solving process, but also about broad inclusion of those inside the state. This ensures that everyone understands what the organisation is doing and why (Barma et al., 2014) and thus builds collective purpose. This 'internal' co-production is not routine practise within most state entities in South Africa: policy and programme development tends to be undertaken by dedicated planning departments or teams and seldom includes meaningful input from the wider organisation or junior staff. This omission ignores that fact that those who work on the service delivery front line, whether managerially or professionally, often know more about the challenges of delivery than specialist policymakers. Hudson, Hunter and Peckham (2019: 7) believe that 'a crucial task (in policy making) .... is, therefore, to tap into the perceptions and experiences of those whose behaviour will shape the implementation process'.

5 South Africa's JET-IP and associated implementation plan were first approved by Cabinet before being made publicly available.

2.2.2. LOCALLY DEVELOPED SOLUTIONS THAT RESPOND TO LOCAL CONDITIONS AND CONTEXT ARE BEST

It often appears that many of South Africa's efforts to draft ambitious policies are focused on a search for best practise from other countries. In fact, advocating an approach that has worked in another country often greatly increases state officials' enthusiasm for its adoption. The problem-oriented literature is, however, unanimous in its conclusion that this is almost a guarantee of failure. A central conclusion is 'that development can [only] be advanced through situationally determined responses to specific problems' (Grindle, 2013: 400) – that is, responding directly to local requirements and context rather than copying solutions from other places.

Uncritically adopting an institutional form and associated rules of operation or copying a programme that was successful at problem solving in another place, are examples of what Andrews, Pritchett and Woolcock (2017) term *isomorphic mimicry*. They assert that these kinds of 'solutions' tend to make things worse, not better (they reduce capability rather than increasing it), because they are almost invariably a poor fit for the actual organisation and local circumstances on which they are being imposed.

Other research confirms this position: the failure to build 'localised institutions and context-specific solutions', in favour of the focus on the 'uncritical imposition of best practise institutional blueprints' also been identified as a reason for high levels of failure in multiple empirical studies (Evans, 2004). Literature on complex systems clearly shows that what works in one place does not routinely work in another (Hudson, Hunter and Peckham, 2019).

In South Africa, an often-heard phrase is 'we have the best policies; the problem is that we don't implement them properly'. We should ask ourselves whether a policy that cannot be implemented is really 'best' in respect of the actual local conditions (which includes the skills, expertise and resources of the organisation responsible for implementing) in which it must be implemented.

The key attraction of cut and paste 'best practise' solutions is that they present a relatively quick solution (Brinkerhoff and Brinkerhoff, 2015: 224). In contrast, the time-consuming work required for genuine co-production localised problem solving is not attractive for political leaders invariably wanting to demonstrate visible results (and isomorphic mimicry gives very tangible and quick apparent results).

Importing so-called best practise solutions does not only refer to those that come from other countries, but also to the imposition of one national policy or plan in all places. Given the wide range of local contexts across South Africa, it is highly unlikely that one national blueprint (such as that for an energy transition) will have the same degree of success in all locations. Developing *locally relevant* solutions really does mean local.

Co-production and local-context specific solutions are deeply intertwined: the latter is unlikely to be delivered without the former. It is only through comprehensive processes of co-production that all the details of a particular local context become apparent and can be factored into a solution. Additionally, co-production by its nature is highly likely to result in locally specific solutions for many problems.

2.3.3. GOOD-ENOUGH SOLUTIONS THAT ACHIEVE INCREMENTAL CHANGE OVER TIME, RATHER THAN TECHNICALLY PERFECT SOLUTIONS

Aligned with the approach that the most effective policies and plans are those that reflect local contexts and are the outcome of localised problem-solving processes, are the notions of *good-fit solutions* and *good-enough governance*. Good-fit solutions are those that are most likely to solve the problem in question (that prioritise function over form). They may not be technically perfect, but they represent a locally driven and context-specific solution. In fact, their technical imperfections may be exactly why they work in a particular context. Barma et al. (2014) contend that 'designing good fit ***is*** good practise' (p24 – emphasis in original).

They further emphasise that the most successful processes do not aim to create perfect quick-fix solutions, but rather good-enough solutions that will produce steady incremental improvements over time. Good-enough problem solving understands that 'not all governance deficits need to (or can) be tackled at once, and that institution- and capacity-building are products of time' (Grindle, 2007: 554). Good-enough solutions still aim to achieve results but incorporate the understanding that not all problems can be solved at once, and that significant change takes time. The goal is 'better than before', rather than an unrealistic short-term radical change.

In conclusion, we propose a definition of a transition effective state as one that:

- Identifies community priority problems to solve; and
- Solves these problems, over time.

A transition effective state has a high level of transition capability, where that capability is defined as the ability to design and implement robust processes of locally-driven co-production problem solving across the entire policy development–implementation chain.

In the next chapter we assess the current level of transition effectiveness of the South African state (that is, its level of transition capability) against this definition and identify some of the barriers to increasing transition capability to drive a more transition effective state.

The conversation is always top-down, and I don't believe that there is anyone trustworthy enough to include the community in these conversations. We will preach about this until Jesus comes back. The people are the ones you should communicate with. You cannot solve your problems from up there whereas you don't know how these problems come about on the ground. People don't necessarily want to protest, but it is the only way to express our concerns because they don't want to listen.

PART 3

EVALUATING THE CURRENT LEVEL OF TRANSITION EFFECTIVENESS OF THE SOUTH AFRICAN STATE

3.1. METHOD

Based on the definitions of state transition effectiveness and capability presented in the previous chapter, what could we conclude about the current level of transition effectiveness of the South African state? In this section we have addressed three main questions:

- What is the current level of transition effectiveness of the South African state (how high is its transition capability)?
- What are some of the impacts of this on the state's ability to successfully design and rapidly implement the JET? and
- What are the main barriers to increasing transition capabilities to build a more transition effective state?

We can develop answers to these questions by comparing the transition problem-solving processes currently used by the state against the ideal (co-production and locally developed good fit) presented in the previous chapter, and assessing the impact of this gap on the design and delivery of the JET. In this process we can also identify barriers to higher levels of transition effectiveness (that is, what factors are limiting the state's ability to improve its transition capabilities?)

A large part of our work in this regard has been extensive fieldwork in communities directly affected by the coal phase-out in Mpumalanga, and who are a focus for many JET policies and programmes. The experiences of these communities provide valuable insights into the transition problem-solving capabilities of the state: what processes are currently being utilised, how do these compare to the ideal, and how well does the state appear to be doing in achieving the overarching goal of identifying, defining and solving problems?

Throughout this chapter we have referred to the outputs of this fieldwork, undertaken during the period December 2023 – July 2024. Mpumalanga – located to the east of Gauteng – is the centre of the JET in South Africa; the location of most of South Africa's coal-fired power stations and a significant part of its coal mining (the Eskom operational model has largely centred on locating power plants in proximity to coal mines, although power generation is not the only use of coal in South Africa).[6] Within Mpumalanga, our fieldwork focused on the local municipalities of Emalahleni (which has the town of eMalahleni as the municipal centre) and Steve Tshwete (centred on Middelburg).

6 53 per cent of South Africa's coal production is used for electricity generation.


Mhluzi
eMalahleni
eMpumelelweni
Middelburg
Phola
Ogies
Komati
Kriel
MPUMALANGA


MPUMALANGA

RESEARCH SITES AND APPROACH

The main sites visited as part of the research were: Komati, Ogies, Kriel, eMalahleni town, Middelburg, Mhluze, Phola and eMpumelelweni. Within this area, we spent the largest share of our time in and around the town of Komati. Komati is a small rural town, located near the Komati power station, which is the main reason for its existence. Several coal mines are also located near Komati town.

Komati power station was officially proclaimed the first JETP[7] project in South Africa in 2022, with its repurposing funded by the World Bank, and a wide range of other funders involved in developing and implementing associated development projects. This has made Komati the poster child of South Africa's JET; a critical test of the transition effectiveness of the state. An investigation into how the planned JET in Komati is unfolding thus provides an opportunity for a close observation and assessment of both the current level of transition capability and the barriers to increasing that capability.

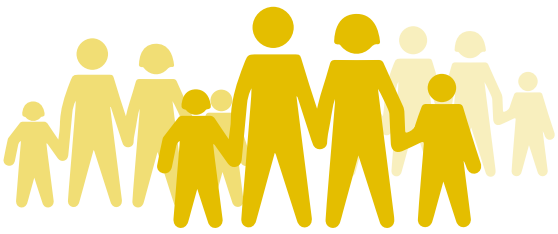
We also spent quite a lot of time in Phola (located in the municipality of Emalahleni), a township near the town of Ogies. It is near a coal mine, and although many residents suffer severe health implications as a result, the majority of employment and livelihoods in Phola are linked to the mine. There is considerable anxiety in the community about the impact of the coal phase-out, and whether they will be delivered a just transition.

Municipal officials from Steve Tshwete Municipality participated in our research, as did members of the local formal business sector.

The fieldwork applied an ethnographic approach. This is the main research method used by PARI across our programmes. An ethnographic approach is different to a questionnaire/survey method of qualitative data capture (which brackets in advance what the key issues are)[8] and allows for a deeper and broader investigation of phenomena. The aim of ethnographic work is to get out into the field to gain insights into complex problems from the viewpoint of those most closely involved or affected. This approach is also useful in terms of capturing the nuances and repercussions in local contexts.

We adopted an unstructured approach to our interviews, engaging people on the general topic of the JET (their views on and understanding of the JET), their own fears and concerns about the implications of the JET on themselves and their community, and their experiences with the various public participation processes around the JET.

Throughout the text we have shown direct quotes (unedited save for translation where applicable) from our fieldwork interviews. These quotes are not credited to individual persons, given that many have been given an assurance of anonymity, in line with our ethics guidelines for such research.



7 The Just Energy Transition Partnership between South Africa and the International Partners Group.

8 By determining what questions to ask, a questionnaire leaves out all the issues that the developer of the questionnaire is not aware of. A section entitled 'any other points' is not sufficient for respondents to articulate perceptions and perspectives that may be fundamentally different from the direction and contents of the questionnaire. In contrast, an ethnographic approach encourages people to talk about their lives in an unstructured and informal manner.

3.2. TRANSITION CAPABILITY IN THEORY: SOUTH AFRICA'S JUST TRANSITION (JT) FRAMEWORK

High levels of state transition capability are reflected when problem identification and definition are prioritised as key state functions, and in particular when one particular kind of problem-solving process is adopted – that based on localised co-production. Co-production involves impacted communities as genuine partners in every step of the problem-solving (policy-development) process, from initial problem definition and scoping, through to solution implementation and oversight.

Although South Africa's JT Framework acknowledges that a successful transition 'demands an effective State' (p3), none of the regulatory or policy frameworks that guide the transition specifically link state effectiveness to the ability to solve problems, nor do they clearly recommend a goal of increasing the state's problem-solving capability.

THE THREE DIMENSIONS OF JUSTICE IN THE JT FRAMEWORK

However, the JT Framework describes in detail three dimensions of justice associated with the transition; if all three are delivered, then the transition will be considered 'just':

- **Distributive justice:** fair distribution of risks and opportunities from the transition cognisant of gender, race and class;
- **Restorative justice:** addressing historical damages against communities and rectifying environmental damage for disenfranchised communities; and
- **Procedural justice:** the full inclusion and participation of impacted communities in decision making.

Procedural justice is central to the goals of the JT Framework

If procedural justice is delivered in full, then affected communities have been directly involved in determining the details of what constitutes transition justice, and how it will be delivered to them. Procedural justice is a key facilitator of both restorative and distributive justice – the greater the role of communities in determining the details of the policies and programmes designed to ensure a fair distribution of risks and opportunities, and surfacing the details of damages suffered, the more likely that these policies and programmes will actually deliver justice.[9]

In addition to ensuring justice during the transition journey, the full delivery of procedural justice should also result in a socially just and equitable transition destination because communities will be equal partners in determining the details of that destination.

9 Subject, of course, to successful implementation.

PROCEDURAL JUSTICE IN SOUTH AFRICA'S JT FRAMEWORK

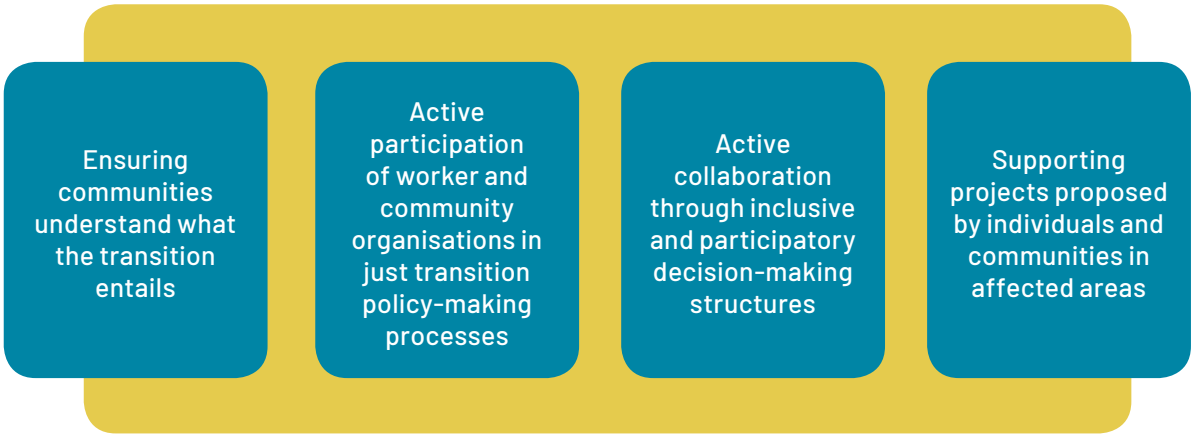
South Africa's JT Framework describes in detail how procedural justice is envisioned, as follows (p9):

- The principle of procedural justice can be embodied in South Africa by:
- Assisting communities to understand what the just transition entails, specifically, and discuss points of agreement and disagreement openly and transparently.
- Supporting worker and community organisations (unions, civics, advocacy groups, etc.) to participate actively in just transition policy-making processes, ensuring decisions are made in their best interests and allowing them to take advantage of opportunities.
- Collaborating actively with a range of stakeholders, through inclusive and participatory decision-making structures, allowing each to play to their respective strengths, fostering a more dynamic, competitive, diversified and equitable economy.
- Supporting the design and implementation of just transition projects, as proposed by individuals and communities in affected areas.

In theory, the JT Framework advocates a set of problem-solving[10] processes (policy design and implementation processes) that reflect many (albeit not all) of the components of the co-production problem-solving processes described in Part 2:[11] they specify the 'active participation' of a wide range of organisations and community representatives in policy making, seem to require that policies must reflect community priorities and aim to ensure that projects will be designed in response to community requirements. In summary, full implementation of the procedural justice set out in the JT Framework could represent a significant first step[12] towards building a transition effective state.

The critical issue, however, is the extent to which the all the components and the spirit of this Framework have been implemented in the policy development practices of the state around the JET.

Our fieldwork investigated community experiences and perceptions about how well the different specified components of procedural justice detailed in the JT Framework had materialised to date. We have grouped our findings in line with the components of procedural justice set out above:



10 Although nowhere in the Framework is a problem-oriented approach explicitly advocated, nor is policy and programme development envisaged as primarily being about problem identification and solution.

11 We would, however, query the idea that points of agreement and disagreement are merely to be discussed, rather than to be resolved to the satisfaction of local communities.

12 There are, however, some missing components of a broader guiding framework for building a transition effective state, such as the clear focus on problem solving (with solutions flowing from this), and clearly prioritising good fit over technical perfection.

ENSURING COMMUNITIES UNDERSTAND WHAT THE JUST TRANSITION ENTAILS

Our research revealed significant parts of impacted communities in Mpumalanga who have a very low understanding of either the details of the coal phase-out (despite living in close proximity to coal mines and power stations) or what a JET actually is. We spoke to many people who were completely unfamiliar with the issues, and others who said that they 'didn't really know' what it was, but that it was 'something to do with' not using coal anymore.

> *We don't get any information from the government about how these things [transition initiatives] will benefit us. Nobody can tell you the exact percentage that we will be benefitting from this whole thing as citizens. We keep getting talked to about this renewal energy, but we don't know what it is. We don't know its side effects on us. We don't even know if we can afford it. Since they are talking about something we don't know.*

This lack of detailed understanding is not only just to be found within communities, but also within the state. Some municipal officials that we interviewed not only echoed the view that local communities by and large did not have sufficient information, but also stated that they constantly feel 'the pressure of trying to explain to people what is going on' when they themselves don't have a clear understanding of the details of the JET.

When we conversed with community members in their home languages (mostly Xitsonga and siSwati) we had difficulties ourselves in expressing the terms *just energy transition* or *just transition*. In contrast to 'coal' ('eMalahleni' means 'place of coal' in isiZulu) there were no readily available words to provide a clear translation. We improvised – using terms such as *new energy* and a *fair transition* – but our need to do so emphasised the lack of a common narrative understanding of the JET across all impacted communities. A common understanding is the starting point for genuine co-production of policy.

In some communities, where people live very marginalised lives and are understandably preoccupied with daily survival challenges, environmental issues are not the main concern. Even where people understand that their health has been impacted by coal, the priority is earning a living – and most livelihood opportunities are tied to coal. This makes it very difficult for these communities to see a coal phase-out as anything but bad news.

> *We will eventually be chewing on bones instead of eating the meat, because they took it all. They will take all the coal and take it elsewhere.*

ACTIVE PARTICIPATION OF WORKER AND COMMUNITY ORGANISATIONS IN JUST TRANSITION POLICY-MAKING PROCESSES

There is no detail in the JT Framework of exactly what 'active participation' means: is it intended to be delivered at a co-production level, or is there a lower standard to be met? We can conclude from our research that state practises to date have not embraced genuine co-production. All our research indicated that input from communities and impacted stakeholders had only been solicited *after* a draft policy had been developed.

There was no broad-based inclusion right from the very start of the policy-making process. Additionally, there has been no large-scale policy revision where that limited community consultation indicated significant unhappiness with many components.

Two key policy documents guiding South Africa's JET – the JET-IP and the JET-IP Implementation Plan – were developed with only limited stakeholder engagement and there was no broad public consultation process before the plans were approved by Cabinet. The development of these key policies has not met the requirements of co-production.

Communities in Mpumalanga echo this assessment; they have not been included as co-producers in the development of JET policies and programmes.

> *The conversation is always top-down, and I don't believe that there is anyone trustworthy enough to include the community in these conversations. We will preach about this until Jesus comes back. The people are the ones you should communicate with. You cannot solve your problems from up there whereas you don't know how these problems come about on the ground. People don't necessarily want to protest, but it is the only way to express our concerns because they don't want to listen.*
>
> *If you are building a house, you start with the foundation, not the roof. Everything depends on the foundation. So, the people are the foundation.*

Based on the findings presented in the previous section in respect of how well communities understand the transition, we may conclude that the people who do not have a good understanding of what the transition is or what it entails are not involved in any policy-making processes: if they had been, they would have a much better understanding of the details of the JET. Since our research found that it is often the poorest and most vulnerable who have the least knowledge about the transition, we could also conclude that the poorest and most vulnerable are those most likely to be excluded from policy-making processes. **In contrast to co-production, therefore, current practises of policy making may entrench (or even increase) inequality, thereby making the state much less effective in delivering the hoped-for transition destination.**

Even where more actively participatory forums have been utilised – such as the various PCC National Colloquiums organised in 2023 – there are limits to the participants' ability to make important policy decisions, since the purpose of these colloquiums is to discuss an already-prepared policy document that has bracketed in advance many of the details of the problem to be solved.

It must be noted that these outcomes (no broad-based collaboration in policy design) are not peculiar to the JET. Instead, they reflect the dominant method of policy making across the South African state, which almost always follows the same broad outline:

- Public officials (often with input from designated experts) decide what problem needs to be solved, and – almost always using a limited set of formal socioeconomic data – define the details of the problem and its causes.
- A small group of officials and experts then design the proposed solution (the policy or programme). During this process there may be some (very) limited stakeholder input, usually from organised business or labour. This input is usually in the form of supplying additional data or making comments on an initial draft policy (that is, even these engagements do not meet the minimum standard of co-production).
- Once the policy in question has reached final draft stage, it is presented to a wider group as part of a mandated[13] 'public participation' process. As a rule, community input at this stage does not result in any significant changes to the policy.

A KEY POINT FROM OUR RESEARCH

Many of the people who told us that they had not been included in any decision making had not been physically included; that is, they had not been part of the multiple presentations and workshops around the JET organised by the state. But a significant percentage of people that we spoke to had been present in these sessions, and some of them had been in multiple sessions. They were all, however, still adamant that they had 'not been consulted'. We quickly realised that this viewpoint did not mean they had not been part of a designated participation process, but rather that the policy presented to them did not represent a solution to their priority problems. That is, they were expressing the view that there had not been any co-production of the policy that included their lives and their concerns.

ACTIVE COLLABORATION THROUGH INCLUSIVE AND PARTICIPATORY DECISION-MAKING STRUCTURES

The JT Framework stipulates the 'active participation' of all stakeholders, facilitated through 'inclusive and participatory *decision-making* structures' (our emphasis). That is, **the Framework requires that structures be established that allow impacted communities and stakeholders to make important decisions about the details of proposed policies, rather than just being passive recipients of information.** 'Decision making' in this regard should – to meet the standards of co-production – mean that where communities are unhappy with a particular policy or part thereof, or have an alternative suggestion, that meaningful change will materialise. (Which 'change' could include the wholescale binning of a policy and a return to the drawing board).

This has clearly not materialised. Instead, the main processes utilised by the state in respect of the JET often appear to be designed for obtaining stakeholder approval or sharing information, rather than to facilitate genuine participatory decision making.

13 South Africa has multiple examples of a legislated requirement of 'public participation' or 'public consultation' across a wide range of policy and plan development with which officials must show compliance.

> *Community will go there and give their input. And you can see that most of the input that the community are giving, they are truly coming out of heart. And some of them, they are talking from a lived experience.....[but] it's only a tick-box exercise.*
>
> *You know what pisses me off the most? We would listen to them. After lunch, when it's question and answer time, they leave. A tick-box exercise. So, I get to the first PCC meeting, in Witbank, and now it's time for me to ask questions. There's no commissioners. The municipality has left. And I'm like, haai guys, we are being played. They want us to listen to them so they can do the tick-box exercise, and then they leave. When it's time for us to ask them questions, there's no one around.*

We often heard the view that the JET community engagements failed to address several issues that were community priorities, indicating that many of the community's most pressing concerns had not been included in the policies.

> *The thing is, the question that the people have isn't what they're telling them on the screen [in a presentation]. Because they know the power station is closing. They know change is coming. But the one who stand up [to answer when questions are asked] can't really give an answer that's understandable and helpful to the community because they explain again, oh we showed you on that slide, that and that is going to happen. But that's not what they want to know. They want to know what about now, what's going to happen now? What about us? What about my children? What about our living situation? So, the changes are there, they explain it and they explain so that even I can understand it, but it's not the question, that's not what the people want to know ... Is there going to be work for contractors for example? They couldn't say.*
>
> *And they said a lot of things, but actually they said nothing. They spoke, but it didn't help the people.*
>
> *How can somebody from Pretoria come here and say that they know what our struggles are? It's impossible!*

It should be noted again that this outcome is not specific to the JET. Instead, it reflects the adoption of established administrative state practices around what constitutes 'active participation' by communities, despite the promise of a different approach suggested by the JT Framework. These established practices always consider 'participation' to be something that happens after the main content of a policy has already been drafted. Under these circumstances it is not surprising that policymakers often cannot answer 'yes' to the question posed by McGuiness and Slaughter (2019: 27): 'Does your policy or solution work for the people it is intended to help or serve?'.

The PCC is increasingly aware of both the lack of genuine co-production and the impact thereof (discussed in more detail below) and as a result is attempting to address these shortcomings. On the 6th of May 2024, a workshop was convened in Nkangala District Municipality to present a new approach adopted by the PCC – the Partnership Implementation Model (PIM). The aim was 'to build partnerships to co-design and implement solutions' and thereby give effect to procedural justice. It is too early at this point to assess whether the implementation of the PIM approach will reflect genuine co-production,[14] but the sentiments expressed by many in the workshop were skeptical of exactly how *participatory* the programme design would be.

14 And observing this process is a key issue for the transition capable state research agenda.

SUPPORTING PROJECTS PROPOSED BY INDIVIDUALS AND COMMUNITIES IN AFFECTED AREAS

This is an area where we found further evidence of the failure to fully embrace the JT Framework, reflecting that input from impacted communities was generally not translated into project design and implementation (largely because these had already been finalised). When community members have been proactive and suggested ideas for new livelihoods, it appears that they have sometimes been ignored.

> *I know they asked if they can't use the ash from the ash dams [coal ash dumps at the power station] to make bricks and there was no answer for them. So that was, I think it was the second meeting that they had, they asked about that. And I don't know if they gave him an answer.*

A critical issue that has not been included to date in any policy or programmes, despite being raised repeatedly by both local businesses and communities, is water – notably, the considerable amount of water currently being used by coal power stations which is no longer required when they are decommissioned. Water is central to expanding economic opportunities and improving livelihoods in Nkangala District Municipality.

> *If you took me to Komati, the first thing I will do is call the mayors and say here's water, use it. How do we access the water? What is the water-use license conditions? Can we talk to the department [about] what happens and how do we then access this route, you know? That, for me, is a locally driven solution on the ground.*

> *A soft-drink manufacturer wants to expand. They are one of our members. One of their primary issues is that there isn't enough water for their expansion. They want to grow their business, but they can't because they are limited with water. So, we as a chamber, and as local organised business, think we got that unique perspective of understanding how to unlock the value chain that resides within a power plant. Not just to replace the megawatts, but to benefit local organised businesses.*

> *In terms of water, we are struggling more than ever. I get my water at 2.30 in the morning so that I can collect the water while it is available so that kids can bath and we can cook in the morning. You sometimes get up in the morning and there is no water. Big problem here. You get up at 3am to get water and by 5am there is no water anymore.*

In summary, the procedural justice component of the JT Framework holds the promise of a shift towards co-production problem-solving processes, and thus increasing the transition capability of the state. The critical issue, however, is the extent to which the all the components and the spirit of this Framework have been implemented in the policy development practices of the state. Our research demonstrates that this full implementation has not materialised. A key reason for this, in our assessment, is that the Framework does not offer sufficient detailed guidance on how each of the procedural justice requirements should be designed and implemented, and how policy making processes should be adjusted in response. There is thus no benchmark against which to assess whether each component has actually been delivered, against the spirit and intentions of the Framework.

In the absence of clear guidance, it is little surprise that almost everyone involved has simply fallen back on the deeply entrenched administrative practices of how the state 'does' public participation. Our fieldwork indicated that the problem-solving processes currently adopted by the state, in respect of decommissioning Komati and the broader JET in Mpumalanga, much more closely resemble this standard approach than that set out in the JT Framework. This standard approach is also responsible for a high degree of cynicism about public participation. Many interviewees made it clear to us that they did not believe that the state – in any form – would ever embrace genuine co-production. This creates a vicious cycle: communities do not believe that the state will listen to them, they thus often refuse to engage, and are then 'proven' correct.

> *We are voting now, and we will seem important, but they won't take our concerns to ear. They say 'vote is my voice', but I don't believe in that slogan. ... There is someone else who has a bigger voice. We are not important.*

Mistrust of the state and all its 'participation' processes (communities have grown accustomed to being ignored) has made the PCC's task difficult.

The result is that the problem-solving processes being implemented are very different from genuine co-production. As a result, and based on our definition of transition capability, we can conclude that the current level of transition capability of the South African state is low.

3.3. THE IMPACT OF LOW TRANSITION CAPABILITY

The literature is clear that co-production processes of problem solving contribute to successful policy design and implementation by:

- Identifying problems that are community priorities
- Increasing the likelihood that the problem, and its drivers, will be comprehensively and accurately defined
- Increasing broad-based support for difficult or risky solutions

In contrast, a state that fails to implement co-production processes of problem solving will not achieve these goals. Our research supports exactly what the literature on capable states suggests: that **the failure to implement co-production processes of policy making has resulted in poor problem identification and specification (and corresponding lost opportunities to effect meaningful change that will reduce poverty and inequality) and has eroded broad-based support for the implementation of the current proposed policies.**

POOR PROBLEM IDENTIFICATION AND DEFINITION

Our research showed that the lack of co-production has rendered many parts of the problem (that is, the issues that need to be addressed to deliver a just transition) invisible. Because they have remained invisible, there is no proposed policy solution. As a result, there are considerable gaps in current policies which suggest that a just transition may not be delivered in full. Key areas that our research indicated have remained invisible are:

1. The extensive informal sector and non-Eskom, non-coal mine employees linked to the coal value-chain;
2. The wide range of valuable community services currently provided by Eskom and the Mines; and
3. The water limitation constraint on future growth, while at the same time water rights associated with power stations are being freed up (discussed in the previous section).

Many of the priority problems from the point of view of communities (such as the dependence of large parts of the informal sector on the coal value-chain, or the employment of people in power stations through labour brokers, or the multiple assets and services supplied to communities by power stations and coal mines) were not included in colloquium discussions because they had not been identified as problems requiring solving. Genuine co-production processes and supporting structures would have surfaced these issues, the resolution of which are key to a successful transition. These significant gaps in policy clearly show the state's low transition effectiveness due to adopting inadequate problem-solving processes.

The extensive informal and non-Eskom, non-coal mine employment in the coal value chain

The focus of remedial action to compensate workers for losing their jobs in the coal value-chain has focused largely on formal employment and those directly employed by Eskom. The reality of livelihoods in the coal value-chain is much broader and more significant for affected communities.

There are numerous livelihoods in the informal economy directly linked to the coal mines and to Eskom. As an example, Phola (in Emalahleni) is a hub of small and informal businesses: a series of restaurants and taverns line the road that leads into Phola. Inside the community are many more tuckshops, carwashes, street vendors, hair salons, shoemakers, and fruit and vegetable stalls. Much of the income of these enterprises is linked to the coal economy, with little guarantee that it will be replaced by alternative economic activities in the short- to medium-term. Since most of these business owners are poor and vulnerable (and generally low skilled and thus unlikely to benefit from many green economy opportunities), the negative impact on poverty and household food security will be significant. There is no plan for how to address this pressing priority for thousands of households across Mpumalanga.

> *There was a huge informal economy around Komati; accommodation providers, transport providers, food and so on that we haven't really quantified. So, if I'm being honest, I think there's a bit of trust that is lost in how things were done.*
>
> *I think it's terrible for them [the currently unemployed in Komati] because they were working, some of them as casual workers. If they needed something, they could go and there was always money coming in even if they didn't have permanent jobs. And the first thing that stopped was that.*

In addition to employment in the informal sector, it appears that a lot of people work or worked at Eskom but are not considered Eskom employees. These people work via contracting companies or labour brokers. They have largely fallen outside the arrangements that have been made to re-employ Eskom employees at other sites. Since most of these people believed that did in fact 'work for Eskom', the constant statements that no one at Eskom has lost their job has created a great deal of bitterness.

> *I mean for me, the just transition, and repurposing is so light [for Eskom] to say 'we didn't shut down everything and no one will lose their jobs', but the reality kicks in and we see each other outside. Then who lost their jobs if no one lost their jobs?*
>
> *Eskom absorbed some of the people that were permanently employed there, but a typical power plant runs around 2,000 to 3,000 people. Four or five hundred of those may be permanent Eskom people, the other 2,000 are contractors. These are people who are on site, not even in the workshops and other facilities, the truck drivers and coal transporters. ... So as Eskom transitioned, they kind of protected their [Eskom employee] jobs. Eskom was very good in protecting their own jobs, but there wasn't really much effort, in my view, on protecting the other jobs around Komati.*
>
> *There were a lot of general workers because they have got cleaning contractors within Komati. Then if the contractor was having 60 something, 70 something cleaners, they were retrenched, they've got, I think maybe less than 20 per contractor, less than 20. The impact is huge.*

A wide range of community services are invisible

Our research identified a wide range of services that are currently being provided to communities (either directly or through a municipality) by Eskom and coal mines. These services add considerably to the quality of life in these areas and support the delivery of basic municipal services that will be essential for any successful economic development plans. However, to date, no account has been taken of these and thus there is no plan for who will fill the gap when the relevant power station or coal mine is no longer in operation.

Services are provided to communities mostly under Corporate Social Investment (CSI) – Eskom and mines – as well as the mandated Social and Labour Plans (SLPs) of mining companies. In addition, comprehensive services are generally provided to *tied settlements* – villages and small towns established by Eskom or a mine. Eskom's annual reports indicates that the company provides 'basic services to communities near some of our power stations'.

Water is a critical service that is often provided – either to the tied settlement and/or a portion of the relevant municipality. It appears that the water in question is often of a superior quality and reliability than that provided by the municipality. Komati power station has been providing high-quality bulk potable water to the Komati reservoirs (which is then distributed by the municipality).

> *I won't lie though, there are mines that are helping with the purification of the water and Phola benefits from this. The water is actually better when the mines provide it.*

Eskom's CSI impact – both direct and indirect (through their suppliers/contractors) appears to be significant in Mpumalanga. They have provided financial assistance to myriad community projects, such as schools, ECD centres, community centres, sport facilities and health interventions. Eskom's enterprise development programmes have supported many small and emerging BBBEE enterprises in Mpumalanga.

Mines are making financial contributions to a range of community entities, such as ECD centres, community food gardens, schools, community centres, and sports and recreation facilities (both provision and maintenance). In addition, SLPs make a significant contribution to municipal IDPs:

- **Steve Tshwete Municipality** has reported the contribution of eight mines to projects including refurbishing healthcare and education facilities, factory constructions, municipal waste management, skills development, enterprise development and low-cost housing development.
- **Emalahleni** is a significant beneficiary: it has benefitted from the SLPs of 17 mines to projects including housing developments, SMME development, water infrastructure, sewerage infrastructure, roads, tourism, education, skills development, etc.

Withdrawing this support of the municipal IDPs (as the mines close or scale down) could severely impact municipal service delivery: mine closure will mean less municipal revenue (as jobs are lost and local mine suppliers close or scale down), thus making it very unlikely that the municipality will be able to replace these services with own funding. This is particularly the case with Emalahleni, which is both a significant beneficiary of SLPs and in a very poor financial state.[15]

15 https://www.citizen.co.za/witbank-news/news-headlines/2018/09/25/municipal-mathematics-dont-make-sense/

There are new developments next to the mine dump, and there are new services that are being provided such as road signs and pavements. But these things are not provided by the municipality but provided by the mines. Even the houses built on the other side of the township are built by the mine. Even the traffic lights are provided by the mining companies.

It should be noted that the socioeconomic impact study for the shutdown and repurposing of Komati Power Station highlighted the services provided by the power station, but to date, no detailed programme has been developed in response. The further challenge is in respect of the entire Eskom and coal mining sector in Mpumalanga.

THE LACK OF CO-PRODUCTION HAS UNDERMINED BROAD-BASED SUPPORT FOR THE TRANSITION

Not surprisingly, the failure to embrace co-production has undermined support for the JET: communities do not believe that they have been heard, nor do they believe that the proposed policies and plans will address the issues that are the most important for them.

Even though there is still a willingness across a part of the local community who are aware of the JET to participate in the process – to attend meetings, to attempt to make input and even to propose ideas for local development programmes – there is a growing belief that this is largely a pointless exercise. Their input is routinely ignored and many conclude that their input is not being taken seriously. Certainly, not one person (from the local business chamber to local schoolteachers to community members) could report that their input had actually resulted in a changed plan or a new plan or even an attempt to find answers for all those questions.

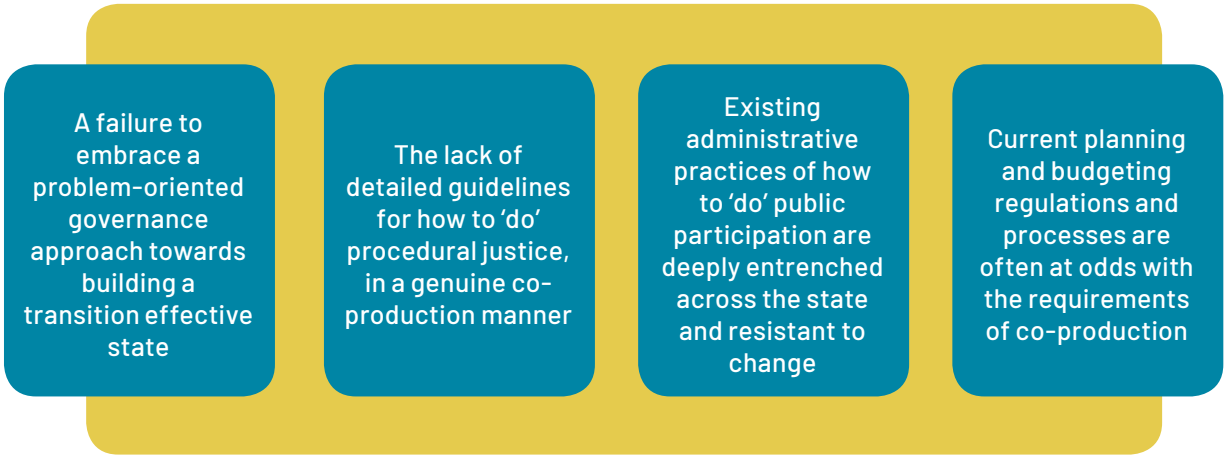
They came and called us to consult with us (laughs). They said they will build a training centre. These people can promise you so many things. They are good liars these people (laughs). They said they will build a training centre, and that the people who were hired by the power station as well as the community will be trained at this nice new training centre. I don't even see a plan for that happening.

Their experiences with respect to the JET mirror their experiences with the broader state (notably their local municipality). They already have a low level of trust in the state and this is being transferred to the JET (and its implementing authority) because they have not experienced anything that makes them believe that this process will unfold differently to all the others that have come before. Over time, this lack of trust may harden into deep opposition.

You [the PARI researcher] can speak all day about this, but it is pointless. It is the same as spilling water on the back of a duck and expecting it to get wet because all the decisions have been made elsewhere. So, this is just a pointless exercise for both you and us. We keep listening to them over the radio talking about projects that will come and things that they will do for us, and that we need to give input into those things. But we all know that decisions have been made already. Even you as a researcher you come here to ask us about these things, and you know that most of our comments will not go anywhere. You are going to take all our opinions and inputs and go use them for your work to make whatever recommendation you want to make. They will take your all your work, read it, and if they see that it will get them in trouble, they will quickly throw it in the bin.

3.4. THE BARRIERS TO INCREASING TRANSITION CAPABILITY

What are the main barriers to increasing the low transition capability of the state? Our analysis suggest that these are most important:



A FAILURE TO EMBRACE PROBLEM-ORIENTED GOVERNANCE

State effectiveness is determined by state capability – the relevance and quality of its problem-solving processes. Building problem-solving capability is, therefore, an essential foundation for a successful transition. Although many of the policy documents around the just transition in South Africa emphasise the importance of a capable state, the problem-oriented approach has not been advocated as a strategy to improve state transition capability. We believe that a focus on developing and implementing robust problem-solving processes will reduce the risk of policy failure (that is, the inability to solve identified problems) and increase the likelihood of a successful transition.

NO DETAILED GUIDELINES FOR HOW TO 'DO' PROCEDURAL JUSTICE IN A GENUINE CO-PRODUCTION MANNER

The requirement of procedural justice in the JT Framework could be a solid foundation for the co-production of a just transition, but there are no details or guidelines anywhere in the Framework that indicate clearly *how* procedural justice is to be delivered, or how its delivery will be evaluated. There is thus no guarantee that – in its current format – the Framework will actually be delivered to the standard of co-production.

Each of the components of procedural justice is open to an interpretation that is not genuine co-production: as example, *active participation* by the community may easily be interpreted to mean the requirement of information sharing sessions. Nowhere in the definition of procedural justice does it clearly state that active participation should start before the policy is developed or what an actively participating community looks like.

The failure to clearly specify the details of genuine co-production, and the lack of comprehensive guidelines for officials of how to design and implement co-production processes of problem solving, means that they simply fall back on existing practices of public participation and label these as *procedural justice*.

EXISTING ADMINISTRATIVE PRACTICES OF HOW TO 'DO' PUBLIC PARTICIPATION ARE DEEPLY ENTRENCHED ACROSS THE STATE

One key reason for the failure to embrace genuine co-production is the long-embedded state administrative processes of what constitutes *participation*, rather than any genuine *male fides*. The current way of doing community/public participation is deeply entrenched, with dedicated departments all working to a common understanding and a particular set of guidelines. These practises are resistant to change, particularly when the JT Framework has no clear guidelines for how to do things differently.

Many officials believe that the responsibility for policy and programme design, and decision making around broad resource allocation decisions, should vest solely in the state, which 'knows best about these things'. The government official who says that 'we have the responsibility to deliver good policies for our people' may be motivated by the best intentions, but still views the local community (and particularly the poorest and most vulnerable groups within that community) as passive recipients of state programmes, with little or no agency regarding the design of that policy.

> *They [government officials] need to delete that mindset that makes them think that they are our saviours. Come to us and say, 'this is the budget and you can contribute to it', then it would work. You can never have project implemented without any consultation.*

Municipal officials – for all their voiced concern that there is no community participation or consultation around the JET – are also clear about what that consultation looks like: a version of the deeply embedded IDP public consultation processes, which are even further from genuine co-production than those currently being used by the PCC.

Our feedback from government officials indicated a commonly held idea that *co-production* is simply an upscaled version of *participation*; that all that needs to be done to move from the latter to the former is to have more meetings with more people, in more languages and with better information packs for participants. This is a completely incorrect belief and one that is bad news for achieving genuine co-production. Co-production problem solving (policy design) is not achieved by having everyone in the room, discussing the plan in every applicable language and preparing the most detailed of information packs about the plan, **if the plan under discussion does not reflect the lived reality and aspirations of the community in question.** That is, the real issue is the detailed content of the plan and how that was compiled – not how it is presented or discussed *after* that event.

CURRENT PLANNING AND BUDGETING REGULATIONS AND PROCESSES ARE OFTEN AT ODDS WITH THE REQUIREMENTS OF CO-PRODUCTION

As Grindle (2013) points out, the notion that policy development will follow unpredictable and multiple paths and end up being 'what it will be' in different locations is an inherently difficult concept for both politicians and policymakers to embrace. In the case of the JET in South Africa – given the work done to date on developing a national plan, the requirement from most funders to have replicable, homogenous and scalable solutions, and the urgency around implementation[16] – there is likely to be at least some opposition to implementing a new process with inherently unpredictable outcomes.

It is also likely that the current rigid processes of policy and budget design have combined to effectively reduce the space for co-production:

- South Africa has a JET IP Implementation Plan approved by Cabinet which is now an official policy document. Does the PCC – or any other entity – have the authority to bin large parts of it and rewrite the rest so that it accurately reflects community aspirations and realities?
- Current regulation of planning and budgeting require a plan drawn up with a detailed associated budget (which cannot be easily changed). These regulated processes do not allow for fluidity in designing programmes over an indeterminate period, or finalising budgets at some uncertain future point. In a problem-led approach, the 'best' solution is whatever the problem-led process indicates is the best solution. It cannot be known (or designed) in advance of this process. It is difficult to fit this approach into the requirement for detailed long-term budgeting, and the inflexibility of budgets once they are approved.

The rigidity of these processes – combined with deeply entrenched administrative practises of how to do public participation – present a formidable barrier to change. In the next section we have presented policy suggestions for how change might be initiated. We have also discussed our proposed future research in this space to support this policy progression.

16 Urgency created by the need to demonstrate to funders that progress in being made, in addition to the urgency of the global climate crisis.

PART 4

CONCLUSIONS, POLICY RECOMMENDATIONS AND FURTHER RESEARCH

4.1. CONCLUSIONS

An effective state is central to achieving outcomes that address priority socioeconomic problems. The development of a ***transition effective state*** is critical to the successful design and implementation of policies and programmes that will deliver a just transition. Transition effectiveness is, in turn, supported by problem-solving capabilities.

A state with a high level of effectiveness can:

- Determine which problems to solve (that is, community priorities);
- Obtain a detailed and comprehensive picture of all the factors that contribute to this problem;
- Develop solutions that are most likely to solve this problem;
- Successfully implement these solutions; and
- Measure progress against pre-determined targets and take remedial action as required.

Empirical evidence from a wide range of developing and fragile states (Barma et al., 2014) indicates that organisations are most likely to achieve their goals (to solve identified problems) when they build capability that supports the co-production of problem definition and solution design. These co-production processes aim to produce solutions that:

- reflect the local sociopolitical context;
- are a good fit with local conditions; and
- are aligned with the resource and other constraints faced by that organisation.

Additionally, these processes do not aim to create technically perfect solutions, but rather solutions that will produce steady incremental improvements over time.

A co-production problem-led approach reflects the idea that both problems and solutions are highly context contingent; that they are determined by the specific conditions and the relationship among these conditions, in a particular place, at a particular time. The solution that is eventually designed and implemented in a given location is not pre-determined or pre-designed; instead it is a customised solution that represents whatever is likely to work best for a particular problem in a particular place at a particular time. The best solution is thus whatever the problem-led process indicates is the best solution, and cannot be known (or designed) in advance of this process.

Our research has indicated that current processes of problem solving around South Africa's JET do not meet the definition of co-production; that the transition capability of the state is low. This is having a significant negative impact on the state's ability to design and implement policies and programmes that will deliver an accelerated JET in a just manner. Although there is clearly an awareness within the PCC (and some other parts of the state that are responsible for the JET) that the current approach is problematic, the response to date has mostly been to do more of the same (*public participation* as it is generally understood) and hope for a different outcome.

The main barriers to improving the transition capability of the state are:

- the lack of detail in the JT Framework about how to do co-production and how to measure how well it has been delivered;
- deeply embedded administrative practices around public participation (which are not analogous to co-production); and
- inflexible planning and budgeting processes and regulations which reduce the space for co-production approaches.

As Grindle (2013: 400) emphasises, localised co-production is a hard concept to sell to politicians:

> *In the real world, it is indeed difficult to hold the attention of those eager for progress and clear answers with responses that amount to 'Well, I'm not sure, but let's explore this more and perhaps we can generate some ideas for interventions that "fit" your reality', or 'Let's problem-solve together'. It is certainly difficult to tell a politician or a manager requesting assistance that the (capability development organisation) is exploring and experimenting with responses to public sector reform.*

It is, however, critical that the state stops doubling down on what it is currently doing and starts designing and implementing co-production processes of problem solving. This is the only strategy that will result in more successful problem solving and broad-based support for the JET.

The change that is needed is not more solutions developed in the same ineffective way, but a *better* process for designing solutions that fit the problem and that will be supported by communities.

In the next section we have presented policy recommendations for how that goal may be advanced.

4.2. POLICY RECOMMENDATIONS

How could we progress towards co-production processes of problem solving around the JET, given the very real barriers to change outlined above, and that it is not practically possible to go back to the drawing board for a large part of existing JET policy?

The significant change required by the co-production approach, combined with the deeply held beliefs within the state about how to do public participation, suggest an approach based on problem-led governance itself: that change can be incremental and that what we should be aiming for is solutions that are simply 'better than before', rather than all-encompassing and perfect.

Against that background, we recommend interventions as follows:

- The development of detailed guidelines for how to design and implement processes of co-production, to be read alongside the JT Framework. This will provide a practical toolbox for the implementation of the Framework, which represents a significant change from current practices of public participation.
- Apply these guidelines to several proposed programmes, as outlined below. These programmes will provide an opportunity to test and experiment with the guidelines (to determine how well they work in implementation), to increase community support for the JET and fill some of the gaps in current policies outlined above.
- Encourage the adoption of these co-production practices across all donors and funders of JET-associated projects.

4.2.1 APPLYING CO-PRODUCTION PROCESSES TO PROPOSED (NEW) PROGRAMMES

As discussed above, it will be very difficult to rewrite all the existing JET policies and programmes in a co-production manner, although where there are opportunities (such as in the design of a particular funding mechanism or discrete project) these should certainly be taken. Instead, a more pragmatic approach will be to (i) start developing co-production processes to be applied in future power station decommissioning processes and (ii) work to fill the identified missing components of existing JET plans in Mpumalanga using co-production processes.

The missing components identified in our research include:

- Contracted and informal employment in the coal value-chain;
- Water; and
- The wide range of services currently provided to municipalities by Eskom and coal mines.

The first issue is extremely complex and thus we do not believe that it is a good candidate for initial experimentation with co-production. The second and third issues could, however, be good candidates.

A co-production approach to resolving **water issues** in Nkangala District (based on a reallocation of the water rights currently allocated to Komati Power Station, along with the associated infrastructure and resources) could have the following benefits:

- It could add significantly to the district's long-term economic development potential, which will increase the likelihood of success of multiple other JET-aligned projects; and
- The development of new water infrastructure may potentially create many employment opportunities. Although mostly temporary, this will assist in demonstrating the job-creation potential of JET-aligned programmes and alleviate short-term unemployment.

Many communities have benefitted significantly from **community assets provided and maintained by Eskom and coal mines**, from sports fields to community centres. As Eskom and the coal mines exit, these assets are falling into disrepair because neither the local community nor the municipality have the resources to maintain them. In some instances, it appears that Eskom may be selling these assets, since they are non-core. These assets are central to community welfare and it is thus important that we have a good plan for how to maintain them for the community's benefit. A plan to do so is an ideal candidate for a co-production approach, with many potential benefits for communities.

Finally, a strategy is urgently needed to continue the basic services (such as water provision, roads management, etc.) that are currently being provided by mines and Eskom. The wholescale re-allocation of key services provision to local municipalities needs to be carefully assessed: in the case of dysfunctional municipalities, the end result is almost guaranteed to be a rapid deterioration in the quality of the service. This will not only have a negative direct impact on the affected community, but will also reduce the likelihood of success of JET local economic development projects (since such development is almost always dependent on a minimum quality and reliability of basic services). Even where the municipality is not dysfunctional, all municipalities struggle to fund infrastructure maintenance and to employ suitable skilled technical staff, implying that good infrastructure transferred is likely to slowly fall into disrepair over time. A more innovative solution is required to ensure that the quality of infrastructure (and services) can be maintained following the departure.

4.3. FURTHER RESEARCH:
DEVELOPING PRACTICAL GUIDELINES FOR HOW TO PROGRESS TOWARDS CO-PRODUCTION PROCESSES OF PROBLEM SOLVING

PARI's own research in respect of the transition effective state and how to increase transition capabilities, will focus over the next 6 to 12 months on developing detailed guidelines for how to design and implement co-production processes of problem solving. This work will be based on a series of pilot projects and detailed fieldwork to experiment with various approaches. Our goal is to provide a strong empirical research foundation for more detailed recommendations on how the state can improve problem-solving processes by making a significant move towards co-production.

The change that is needed is not more solutions developed in the same ineffective way, but a *better* process for designing solutions that fit the problem and that will be supported by communities.

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