



Institute For Economic Justice Renewable Energy Localisation Factsheet



RENEWABLE ENERGY LOCALISATION AND THE CREATION OF DECENT JOBS

In Brief

- ✓ South Africa's growing demand for renewable energy and battery storage has not produced enough local manufacturing or decent jobs.
- ✓ Many of the components are still imported; fluctuating demand means local manufacturers struggle to invest and expand.
- ✓ Many of the jobs that have been created are temporary and insecure, with weak social protection benefits and little trade union presence.
- ✓ With sustained demand and policy support, South Africa can use the energy transition to build local industry and create decent jobs.



This factsheet is based on a detailed case study conducted by IEJ¹ and the accompanying policy brief.²

Growing demand is not creating enough local jobs

**R70
BILLION**

in renewable energy and storage products was imported in 2023.³



Although demand slowed in 2024 and 2025,⁴ it is expected to remain substantial.

**R37.4
BILLION**

in demand for wind, solar, and battery storage could be reached in the Western Cape alone by 2030.⁵



But growing demand has not translated into equivalent growth in domestic manufacturing.

9 MANUFACTURERS

60 EXPERTS & WORKERS

2 FIRMS SOURCED <25% LOCALLY

2 RELIED ON LARGE OR FOREIGN SUPPLIERS

IEJ surveyed nine South African manufacturers and conducted interviews with industry experts and 60 workers. Two firms sourced less than 25% of their inputs locally, while two relied mainly on large or foreign suppliers. Many of the manufacturing jobs generated by the energy transition are being created elsewhere.

Why is this happening?

01 Demand is too uncertain: public procurement has been stop-start, making it difficult for firms to invest and retain workers.

02 Imports are often cheaper: local manufacturers face higher production costs and strong competition from imported products, particularly from China. The apparent price advantage of imports can also be increased by tariff misclassification. IEJ interviews identified labour costs, stringent standards, preferences for international suppliers, and market opening as factors raising local production costs.

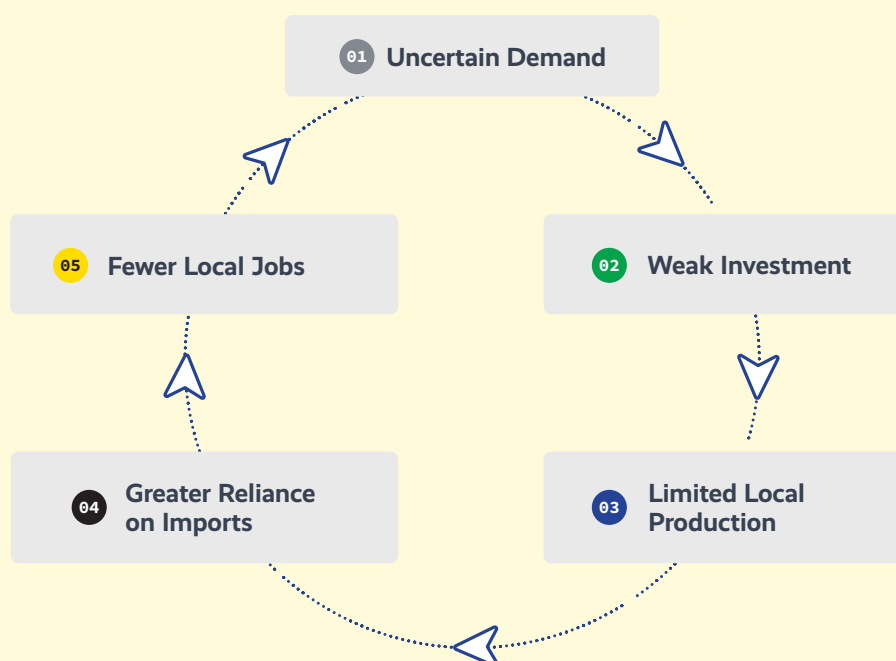
03 Exemptions are being abused: price, delivery time and technical specifications are sometimes manipulated to sideline local suppliers and justify imports; government at times has condoned this to fast-track generation capacity.⁶

04 Global firms have established suppliers: project developers may prefer existing international suppliers, while some global firms use their own supply chains.

05 Industrial policy provides inadequate support: policy delays, weak implementation, gaps in productive capacity, and poor alignment between the dtic and DEE constrain domestic firms.

06 SAREM implementation is stalled: the masterplan is an important advance towards green industrialisation, but political delays have slowed implementation.

The anti-localisation cycle



Breaking this cycle requires sustained demand from both government and the private sector.

Many renewable-energy jobs are not decent jobs

Workers interviewed by the IEJ reported short-term contracts, long working hours, inadequate benefits, and workplace safety risks. Some workers lacked contracts or payslips, and unionisation is very low.

Extraction, construction, installation, operation, and maintenance are the most labour-intensive activities.⁷ But many of these jobs, particularly in construction and installation, are short-term and insecure.

What makes a job a decent job?

Decent work has four key elements:



Remuneration: wages that are sufficient to meet living costs.



Social protection: protections for workers, including unemployment insurance, healthcare, parental leave, and retirement benefits.



Workers' rights: reasonable working hours in safe and compliant workplaces.



Social dialogue: worker organisation and collective bargaining.

WIND & SOLAR WORKERS

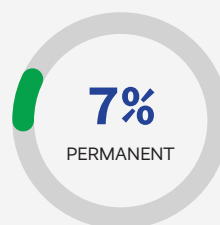
33%

CORPORATE DIRECTORS

19%

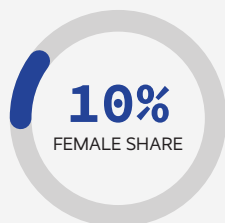
Across wind and solar, women account for about 33% of workers but only 19% of directors.⁹

Women face occupational segregation and systemic barriers to advancement. They are often assigned delicate assembly tasks, while men are more likely to do technical, engineering or physically demanding work.



In one tower-manufacturing company surveyed, women occupied only 7% of permanent positions.¹⁰

Women must not be left behind



In 2021, women made up only around 10% of downstream renewable-energy employment.⁸

What needs to change?



Get government working together: align renewable energy, industry, trade, and procurement policy. The dtic and DEE should coordinate implementation, and SAREM needs to move from policy commitments to implementation.



Create sustained demand: South Africa had about 2 500 renewable-energy manufacturing jobs in 2021, while SAREM estimates a possible 25 000 jobs

by 2030. Reaching that potential will require sustained demand and supportive industrial policy.

 **Make public support conditional on decent jobs:** firms receiving public support should be required to create and maintain decent jobs. Local-content requirements should also include clear employment commitments.

 **Tighten the exemption system:** exemptions from local-content requirements should be subject to clear criteria, transparent justification, and proper verification.

 **Build gender equality into the industry:** adopt a Gender Action Plan with measurable employment and leadership targets for firms receiving industrial incentives and for public- and private-sector procurement. Make women's inclusion a core objective of industrial policy, skills development, and project implementation.

 **Train people for actual jobs:** expand TVET training in the skills required by renewable-energy and storage industries, particularly in areas where investment is taking place. Programmes should include ring-fenced opportunities for women and be linked to real employment opportunities.

 **Agree decent-work standards:** government, organised labour, and business should negotiate a Decent Work Charter for renewable energy and storage through NEDLAC. It should set standards for job security, wages and conditions, social protection, workplace safety, worker organisation, and employment reporting.

The choice facing South Africa

PATH 1

South Africa can meet much of its renewable-energy demand through imports. This may accelerate deployment but leave many manufacturing jobs and industrial benefits abroad.

PATH 2

Or it can build domestic productive capacity through sustained demand, active industrial policy, and effective localisation.

This may slow parts of the transition in the short term, but it offers important long-term gains.

The goal is not simply to manufacture more renewable-energy products in South Africa. It is to build an industry that creates secure jobs with decent pay, social protection, safe working conditions, and strong labour rights, while

opening up real opportunities for women to enter, advance, and lead.

Endnotes

1. Institute for Economic Justice (IEJ). 2026. *Renewable energy value chain localisation in South Africa*. Advancing a Just Energy Transition: Localisation, Decent Work, and Sustainable Livelihoods Series. Johannesburg, South Africa: Institute for Economic Justice.
2. Maimela, S. 2026. *Inclusive renewable energy and storage localisation and sustainable local demand: Why they can drive decent, sustainable local job creation*. Advancing a Just Energy Transition: Localisation, Decent Work, and Sustainable Livelihoods Series. Johannesburg, South Africa: Institute for Economic Justice.
3. Montmasson-Clair, G. 2024. '[Solar, battery, inverter imports surged to R70bn in 2023 as wind turbines recovered from two-year lull](#)'. *Engineering News*, 4 March. Accessed 29 July 2026.
4. IEJ (2026).
5. GreenCape. 2026. [National renewable energy market intelligence report](#). Cape Town, South Africa: GreenCape. Accessed 18 August 2026.
6. IEJ (2026).
7. IEJ (2026).
8. Department of Electricity and Energy. 2025. [South African Renewable Energy Masterplan \(SAREM\)](#). Pretoria, South Africa: Government of South Africa. Accessed 29 July 2026.
9. IEJ (2026).
10. IEJ (2026).
11. [Department of Electricity and Energy \(2025\)](#).

