

LESSONS FROM CASE STUDIES IN THE GLOBAL SOUTH*

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This brief draws on research conducted by master's students associated with the CLIFF project: Boivin (2022); Ceballos Jimenez (2024); Haasloop Werner (2022); Hawamdeh (2024); Hids (2023); Janvier-Olsen (2022); Linn (2022); Piper (2023); Ronglan (2023); Schüßler (2022); Snaathorst (2022); van Buren (2023); van Vliet (2023).

KEY MESSAGES

1. Energy justice/security and the right to development influence LFFU
2. Potential job losses hamper LFFU; the just transition is elusive
3. Financial dependence on fossil fuels & low diversification hampers LFFU
4. Corruption and cronyism hampers LFFU
5. Debt and dumping challenges LFFU
6. Colonialism, Capitalism, Patriarchy hampers LFFU

INTRODUCTION

There are huge challenges in phasing out fossil fuel in the Global South. Here we focus on the case studies conducted within the CLIFF project and the major trends that emerge. While many countries have adopted net zero targets into the future, there are some major bottlenecks.

ENERGY JUSTICE, ENERGY SECURITY, LINK TO RIGHT TO DEVELOPMENT INFLUENCE LFFU

The case studies reveal the challenge in achieving energy justice (meeting the demand of the poorest), energy security (demand is bigger than supply), and that energy is deeply linked to the right to development across the Global South (see PB 28).

POTENTIAL JOB LOSSES HAMPER PHASE OUT; THE JUST TRANSITION IS ELUSIVE

About 12.6 million people are employed by the fossil fuel sector, of which most (9.5 mln) will face job losses if the sector becomes obsolete, hampering a phaseout (Muttitt and Kartha, 2020). These employees range from highly-paid and powerful (e.g., South Africa, Saudi Arabia & Argentina) to insecure, low-paid migrant workers (e.g., Saudi Arabia). Fieldwork in Dammam, Saudi Arabia, reveals that the O&G sector is not ready for a transition (as in other countries) and that most employees are not familiar with the concepts of Just Transition and Decent Work; especially migrant labour with low salaries, mostly monitored and controlled, is at risk (Boivin, 2022). This exemplifies the inequalities in this sector. Moreover, at the time of research, ILO was also missing data from Saudi Arabia. Many varying arguments can be identified in the literature covering employment in the FFs industry. Across the Global South, the concept of just transition is in its infancy, whereas, in some countries (e.g., South Africa) climate denial and disinformation hampers the process.

FINANCIAL DEPENDENCE & LOW DIVERSIFICATION HAMBERS LFFU

Most countries with fossil fuel have economic dependency on fossil fuel. For example, oil brings 60% of GDP in Iraq and 90% of government revenues (Abdulridha, 2025), and in Libya, the oil and gas sector contributes to 97% of total exports (AFDB, 2024). Moreover, closing down coal infrastructure in India and China could cost more than 100% of their national GDP. This in combination with the fact that in many cases the state runs/controls/manages the fossil fuel (e.g., Eskom in South Africa) or oil and gas companies (national oil companies, NOCs, e.g., Saudi Aramco, many operating as multinationals), and these produce about half the world's oil and gas (NRGI 2019) and control 90% of the reserves. Without shareholders and public pressure, and with a shrinking civic space, the state is directly interested in the profits generated creating major institutional lock-in. Many can thus afford to ignore the potential of stranded assets as they can themselves control their own and other markets.

CORRUPTION AND CRONYISM

The case studies reveal that corruption and cronyism pervade this sector. Lack of transparency is evident. Moreover, fossil producing countries apparently use high fossil subsidies to control the public, target constituencies, create energy demand and dependency, and reduce public support for a phase out. This is helped by misinformation and disinformation campaigns (e.g., in South Africa).

DEBT AND DUMPING CHALLENGE LFFU

Many energy companies also have high debt (e.g., Eskom) that hampers a phaseout. Many governments also end up in 'circulating debt' where governments cannot pay their bills and this leads to cascading debts down the value chain of a company (e.g., Pakistan). Many developing countries have high international (public) debt, hyperinflation and poverty (e.g., Argentina) that forces them into, or justifies continued investment in, exports of fossil fuel (see PB 20). At the same time, these countries experience obsolete technology/company dumping (e.g., South Africa) and fossil fuel shares are sold to them. Most fossil fuel investments in Africa and South Africa are from foreign investors dumping their technology, while capital flight is a key challenge.

CONCLUSION: ROLE OF CAPITALISM, COLONIALISM, APARTHEID, PATRIARCHY

The case studies reveal that colonialism, capitalism, apartheid and patriarchy influence development narratives and play a key role in this sector. For example, unbundling the distribution sector leads to privatizing parts of the enterprise which may aggravate a phase out.

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