



South African Council of Churches

Clean Energy for a Healthy Nation

Challenging the Moral Logic of the
Daft IRP 2010

Paracelsus and the GDP forecast

- Theophrastus Bombastus von Hohenheim – a Swiss physician and alchemist – changed his name to Paracelsus meaning - “better than Celsus” – to promote his preparation of minerals for medicinal use.
- Most of his colleagues at the time had proven that mercury and antimony were toxic, but Paracelsus held he had discovered the “elixir of life” or “philosopher’s stone” that would allow him to live forever.
- Late in his life – a refugee in Salzburg – Paracelsus claimed to find the elixir but, nonetheless, in 1541, at the age of fifty, he died. We challenge the assumption that exponential growth of GDP over 20 years alone produces a helpful framework for an energy plan. Unlike Paracelsus, we recommend that the proposers of the DIRP 2010 go back to the drawing board, reconsider the proposed “energy elixir”, and consult with broader range of civil society players and technical experts.



Paracelsus and the GDP forecasts

- Haw and Hughes have argued that the task of projecting GDP growth is difficult and decisions on growth rates are often ... [biased], as governments would like to project a continuously high GDP growth when, in fact, this is unlikely to occur. GDP growth is seldom, if ever, exponential over a long period of time; however, this is how GDP has been modelled in South Africa in the past. (NER 2004a; IEP 2003)... [Mary Haw & Alison Hughes, 2007: *Clean Energy and Development for South Africa: Background data, Report 1 of 3*, Energy Research Centre, UCT, & British High Commission, 28 February]
- In his 2010 mini-budget speech, the Minister of Finance said he expected “overall growth on 3 per cent in 2010 rising to 3,5 per cent in 2011 and 4,4per cent by 2013.” (Medium Term Budget Policy Statement 2010 Speech, 27 October 2010, National Treasury RSA).
- Some economists believe this to be hopefully overoptimistic and a more realistic estimate of growth – given the global economic boom and bust – to be closer to 3 percent.
- Another “elixir” that needs to be refuted is that GDP growth is correlated to growth in energy consumption. While energy professionals such as Arjun Makhijani and others report that industrial energy in the USA between 1973 and 2004 remained unchanged while doubling output, the ratio of energy demand to GDP growth had declined from about 0.9 to 0.5 by year 2000 (Carbon-Free and Nuclear Free: A roadmap for U.S. Energy Policy, 2007, IEER Press, Michigan, p.6)
- The projection for growth, demand and consumption in DIRP, therefore, appears unrealistic but also are undesirable . The projections on DIRP Table 7 (p. 30) raise question whether it is desirable and sufficient to build energy proposals based on the assumption of increased GDP and consumption of energy (as is assumed to be the case) over a twenty years.

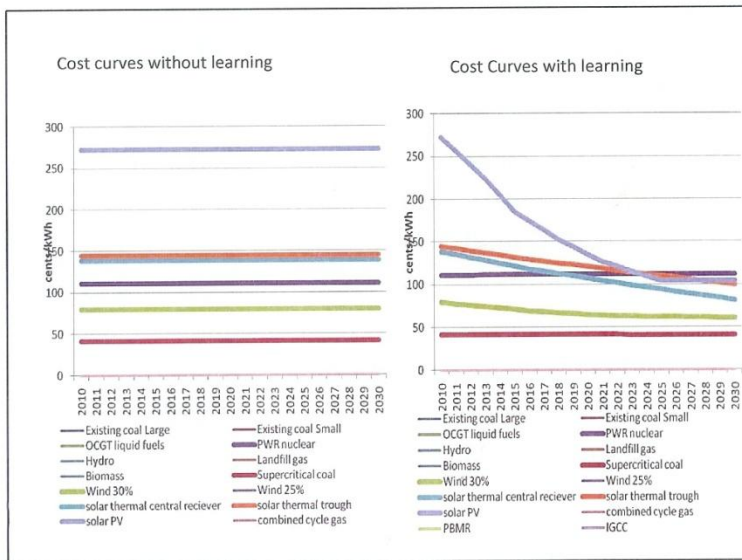


Why equality is better for everyone

- Many economists have indicated that growth in GDP is not a sufficient indicator of national wellbeing (health). Giovanni Cornia in his work in “Inequality, Growth, and Poverty in an era of liberalization and globalization” indicates that when asset inequality is concentrated within a small group, poverty reduction capability of growth is low and that high inequality may lower the growth rate of GDP itself.
- The epidemiologists Richard Wilkinson and Kate Pickett in their study on inequality in the wealthiest nations show that countries with a higher GINI coefficient are closely correlated to societies that are unhealthy, violent and dysfunctional (The Spirit Level: Why equality is better for everyone, 2009, Penguin, London).
- It is not so much the GDP levels and growth component that reflects a nation’s state of wellbeing and health, but rather how and to what ends that wealth is redistributed. Similarly we would argue it is with a vision on energy. With less wastage, greater efficiency, appropriate alternative technology and an awareness of the resource limits of our planet South Africa and the world is faced with a decisive moment in history. The choice could be for a wise use of resources – fiscal, mineral and natural - for healthy, happy national and global relations. Or it could be for the growth scenario with inequality that is part of a capitalist and neo-liberal economic reality which will lead ultimately to more dysfunctional, violent and unhealthy relations between our nation, the continent and the planet.
- Therefore I have set before you this day a choice between life and death. Choose life



More energy efficiency better health



- We agree with the SAFCEI presentation that SA relies too much on an energy intensive economy
- While we can as faith communities do much more to create awareness on energy waste reduction, and promote industries that rely less on conventional energy from coal and fossil fuels.
- We believe that the cost of coal (red) in the adjacent graph does not cover the full story of the human toll and environmental degradation that coal mining presents.
- Moreover. With greater awareness of renewable energies such as solar, wind and wave and as technologies evolve, the demand will grow and costs (for solar as projected) could be lower than illustrated.
- The healthier option of renewable energy together with growing technology will eventually be more cost effective than either of the fossil fuel options: coal and nuclear.



Who pays for greater demand?

- The SACC agrees with SAFCEI that the proposed DIRP favours BIG BUSINESS and that an option for nuclear favours BIG SCIENCE. In the current scenario, it is the ordinary tax paying citizen who subsidises big business such as the ore smelters. We are not against big business and big science. We are against the inequality scenario where public spending favours the few and leaves the many little ones of society to pick up the costs.

Xstrata Given 100 Megawatts by S. African Utility for Smelter

By Carli Lourens - Oct 21, 2010 2:25 PM GMT

“In its court papers, Eskom acknowledges that in 2008 the country would probably not have been subjected to power cuts and load-shedding had electricity not been delivered to the smelters.”

Jun 10 2010 07:37 Jan de Lange

Sake24.com



Renewable energy: How clean is nuclear?



- As a means of care for the poorest and marginalised communities, we expressed our desire to see renewable energies favoured since access to the poorest people would enable their participation in the economy, contribute to a more equal and healthy nation but also lead toward a scenario where more jobs may be created.
- At the same time we rejected the comparative spending on the Pebble Bed Modular Reaction (estimated to have been close to R10 billion) and which has not produced a single watt of energy before it was terminated.
- The SACC holds that nuclear energy countries and exponents need to answer for links revealed between medical diseases such as cancers and radiation sicknesses and related deaths; the dangers of mining uranium; the impunity that countries which use uranium enjoy when nuclear power plants meltdown (as Chernobyl) causing massive international fallout; BUT most significantly, how can nuclear be a “clean” energy source when its waste remains active for hundreds of thousands of years and threatens generations long after those who make these choices and will not be held to account. Nuclear may not cause the extent of CO₂ emissions as say coal but it is in no way comparable to the renewable sources as CLEAN ENERGY. **If nuclear is an evil necessity then it is more evil than necessary .**



Honest participation and a healthy democracy

- Other organisations have written about and outlined the process of consultation and deliberation. We support their concerns.
- A healthy part of our democracy is that government is obliged to consult with its citizens when making decisions that affect our lives.



Moral and Civil Communities have spoken: Who's listening?

- Other organisations have written about and outlined the process of consultation and deliberation and expressed concern at the lack of recognition for many issues raised. The SACC supports their concerns.
- A healthy part of our democracy is that government is obliged to consult with its citizens when making decisions that affect our lives.
- A healthy nation shows a reasonable level of consultation and recognition of decisions that are shared. It takes a courageous government to recognise a decision on SA's energy future is a decisive moment.
- A mature government will show that it is prepared to make the hard – perhaps politically unpopular – choices for the poorest against big business; for the health of future generations not merely to uphold a global theory of what appears to be economic positivism.



Conclusion

- The projections of GDP and energy consumption increases are insufficient scenario plans.
- Similarly, GDP growth and energy demand over time and based on a positivist economic theory line are refuted by international scholars.
- A healthy nation recognises how the ratio of inequality impacts on the health and wellbeing of a nation as well as on its GDP.
- Churches and faith communities are well placed to promote greater energy efficiency and to reduce the levels of energy intensity in our communities. This is a moral and spiritual matter.
- Renewable energy sources need to form a greater part of the energy mix and balance.
- The costs of energy for BIG BUSINESS and from BIG SCIENCE ultimately falls on the ordinary citizen and especially the poorest.
- Nuclear energy, therefore, is in reality a low moral and economic option.
- For the input of civil society to be taken seriously, we urge government to develop a White Paper on Energy and energy choices for full public and Parliamentary discussion.

