

# World of work

Addressing the challenges of sustainable economic growth





Research in this area encompasses studies into the labour market, employment creation, and human resources development. It seeks to address the key national imperatives to improve equitable access to skills acquisition, employment strategies and sustaining economic growth. It also covers guidelines for a human capital development strategy in the biodiversity conservation sector.

## Employment scenarios

### The focus

Our vision is to develop concrete, evidence-based employment scenarios that can offer guidance to policy- and decision-makers in respect of sustainably halving unemployment and poverty, backing this up with research evidence.

In the first phase, we presented three scenarios showing how wage income might grow in future. With the economic downturn, we revisited these scenarios and provided guidance as to how employment might still be halved with the expansion of special interventions.

In 2009/10, special contributions were made in respect of public employment, addressing youth unemployment and promoting employment through procurement.



## The bigger picture

There has been continued success in drawing together top experts, opinion-makers and decision-makers in disseminating ideas. We have developed an innovative network model in scenario building that operates like a hub and spokes, with a core employment scenarios group, and links to major stakeholder networks and decision-making forums. The HSRC Employment Scenarios are now seen as one of a few major documents that need to be read in respect of the country's economic future.

- Centre for Poverty, Employment and Growth

## Public employment scenarios

### The focus

We completed research on public employment scenarios and its proposals for drawing more youth into the lower ranks of the public service.

### The bigger picture

These public service scenarios became part of the government's mandate at the March 2010 Public Service Summit, and will be pursued by the departments of higher education and training, and public service administration in the coming year. Central to the proposals was how first work and post-school learning opportunities could be generated through the public service.

## Improving the chances of finding work for young people

### The focus

School leavers have a less than 50% chance of finding work before the age of 24, and even less if they are black. This is true for matriculants and non-matriculants. The problem is likely to become worse in the context of the global economic crisis. This means that a large proportion of the approximately 500 000 school leavers per annum will join the long-term unemployed every year. The social and economic consequences are serious and this situation should be addressed urgently.

### The bigger picture

We have focused our policy research efforts on the majority of school leavers who are unlikely to go into tertiary education. The key question was how to rapidly reduce the unemployment rate of school leavers entering the labour market over the coming years.

A series of research papers produced by a range of experts explored approaches related to the education system, post-school education, non-formal education and improved entry-level job opportunities in the public and private sectors, funded by the dti and the Second Economy Project at TIPS/ComMark.





These were debated in a series of workshops that drew in top education and labour market experts, and key stakeholders involved in youth development, education, labour policy, job placements and the private sector.

- Centre for Poverty, Employment and Growth

## Employment through procurement

### The focus

In a country with high levels of industrial concentration like South Africa, small business entry is a challenge. The procurement by large corporations may be one of the main strategies to promote local economic development, small business and related employment opportunities.

This project aimed to promote innovations in private procurement and supplier development by identifying innovations, working with implementing agents to test the innovations, and then sharing these findings with a knowledge network. Our partners are the National Business Initiative, the WK Kellogg Foundation and the City of Tshwane Metropolitan Municipality.

There is potential for different approaches to private sector procurement to play significant roles in black economic empowerment (BEE), skills development and job creation.

Tshwane Metro has become a central project participant, with its programme comprising four legs including basic background research; engaging private sector corporates who are willing to intensify local

procurement to promote employment and growth; strengthening the Tshwane Metro's own procurement practices; and developing a national knowledge network. In 2009/10, the knowledge network was established, and two events held to review learning to date.

### The bigger picture

The research and case studies prepared to date show there is a need to review the Codes of Good Practice in order to create stronger links between preferential procurement and enterprise development, and in order to establish stronger incentives for firms to engage in supplier development for their core supply chains. Furthermore, greater emphasis needs to be placed on utilising a corporate's total procurement spend, including its imports, for developmental purposes and not just the total measured spend for broad-based black economic empowerment (BBBEE) purposes.

Such a change in emphasis will mean recognising the efforts made by corporates in developing all local suppliers, regardless of whether they are black or not, as well as recognising efforts made to replace currently imported inputs with locally sourced inputs. The motivation for this from a BBBEE perspective is that developing local suppliers results in job creation for black workers, which should also be recognised as black economic empowerment. Moreover, achieving any kind of noticeable impact on value creation and employment will require that firms mainstream their supplier diversification programme into their core procurement, and not simply into their peripheral activities such as catering or cleaning.

## Roundtable on the global economic crisis

### The focus

Following the escalation of the global financial crisis in 2009, we convened a roundtable on the implications of the crisis on Africa and South Africa's regional engagement. With support from the Open Society Initiative for Southern Africa (OSISA) and Rosa Luxemburg Foundation (RLF), the event drew participants from South Africa, Tanzania, Namibia, Canada, Botswana, Zambia, Kenya, Zimbabwe and the United States.

The roundtable generated useful proposals of African alternatives to the crisis based on old and new models. Participants agreed that the economic

crisis had to be situated within a history of neoliberal globalisation, and that alternatives had to go beyond the interrogation of how financial and economic systems could be rescued to long-term approaches.

A more effective approach was to address systemic questions that transcended rescue packages for banks.

### The bigger picture

The failure of African countries to realise meaningful economic and political integration was attributed to its vertical relationship with western countries. This connection blocked horizontal integration, contributing to insecurity and conflicts on the continent. A requisite consideration for Africa's survival in the global economy is for the continent to adopt a two-pronged strategy that includes protecting African countries from threats as well as building institutions capacity to create economic opportunities.

The role of South Africa as a sub-imperial power was also highlighted. South Africa's utilisation of global capitalism drawing mainly from western economic models to enhance its economic capacity and its implications was examined.

One proposition that emerged as an alternative to the neoliberal approaches was to draw from emerging powers such as China, Brazil and India. Illustrations of possible options included shifting from fiscal regimes to addressing other sectors such as investing in infrastructure as in the case of China. Focusing on creating rural employment as exemplified by India was also recommended.

*- Centre for Poverty, Employment and Growth*

## Guidelines for a human capital development strategy in biodiversity

### The focus

A background research study provided evidence-based and contextual background on guidelines for the development of a human capital development strategy and implementation plan for the biodiversity conservation sector.

The South African National Biodiversity Institute (SANBI), in co-operation with the Tony & Lisette Lewis Foundation, commissioned the study, which advised on some difficult choices that had to be made regarding the most effective interventions into the challenges of scarce skills, transformation, and the recruitment



and retention of suitably-qualified professionals and managers in this sector.

### The bigger picture

Key recommendations included the following:

- Establishing and phasing in a programme to 'grow its own timber' that could upgrade existing skills levels in a number of scarce skills areas among existing professionals, associate professionals and managers, with a focus on blacks and black women;
- Considering a flagship project to develop reserve conservation managers with the critical skills required to operate optimally in the protected areas, given the increased expenditure by government and the importance of these areas in terms of eco-tourism; and
- Developing a learnership at NQF 6 level to upgrade the skills of NDip professionals and associate professionals, through agreements with a SETA and a higher education institution.

*- Education, Science and Skills Development*