

The World of Work



Skills and knowledge to remain relevant
in the global economy

Skills and employment

Our research in this area encompasses studies into the labour market, employment creation, and skills and human resources development. It seeks to address the key national imperatives to improve equitable access to skills acquisition, sustainable economic growth and employment strategies using scenario projections.

Our initiatives have resulted in:

- Publishing four monographs on the professional labour market and the professional milieu in South Africa;
- Compiling a considerable number of reports and proposals on how skills development strategies can be improved;
- Identifying critical choices in the allocation of national budget for initiatives aimed at halving unemployment by 2014; and
- Producing a number of proposals on how to enhance the employability of youth.

Study of the professions and professional education

We examined education programmes through two theoretical lenses: the professional labour markets (local, international and markets of competing professions) and the professional milieu. In the professional milieu, we considered factors such as the multiple socioeconomic and political conditions, structural arrangements and professional and educational discourses that shape what it means to be a professional in a particular field, as well as what professional behaviour entails at a particular juncture in history.

Some of the key issues that have emerged in the professions study are:

- the rate of transformation in professions appears to be out of sync with the rate of changes in the education system;
- the 'feminisation' of enrolments has not translated into 'feminisation' of professions;
- the migration of professionals is of increasing concern, whether it is migration out of the profession, the sector (public to private) or the area (rural to urban), and/or emigration overseas;
- there is a need to recognise that professions are part of the global market and to plan accordingly; and
- there have been changes in South African curriculum and pedagogy following overseas trends towards problem-based learning. The question is whether they are effective.

Furthermore, the study found that the professions under investigation were facing major challenges in terms of the efficiency of throughput at further and higher education, while also meeting equity targets in terms of designated groups. The project has led to the publishing of four monographs.

Education, Science and Skills Development programme



Critical research projects for the Department of Labour

The key research mandate from the Department of Labour (DoL) was to undertake applied research to measure the impact of labour and skills legislation on social processes in the labour market and economy. This included the extent to which workers acquired skills, unemployed youth were trained and employed, and designated groups benefitted from the Department of Labour's employment equity programmes.

The DoL research consortium project probably constituted the largest research initiative on labour market and skills development dynamics in the post-apartheid period since the release of the 1996 report on labour market by the International Labour Organisation (ILO).

These studies were groundbreaking in providing comprehensive impact assessments of key post-apartheid labour market legislation (such as the Basic Conditions of Employment Act, and the National Skills Development Act and Employment Equity Act) on equity and efficiency in the South African labour market.

Close to 50 researchers from the consortium were involved in the project and the project generated 45 research reports.

The *sector skills study* provided insightful analysis on the complexities of attaining alignment between the skills development strategies and micro-economic priorities in 14 key subsectors in the economy. The research reports commissioned for this study are listed in the research output section of this publication.

Another in the series, the *National Skills Survey 2007*, provided insight into progress made in the field of skills development. It investigated the propensity of private sector employers to train, the performance of the Sector Education and Training Authorities (SETAs), and the progress in training provision since the previous survey conducted in 2003.

Interestingly, the study showed that while the volume of training doubled, real expenditure on training has declined for small and medium-sized employers, when compared to 2003 expenditure.

The *scarce and critical skill study* contributed towards the development of a model for the identification and verification of vacancies and scarce skills in the economy, as well as for 12 critical occupations such as engineering and artisan trades. It concluded that there are definitely skill shortages in certain occupations and raised questions regarding the effect of affirmative action policies in dealing with apparent skills shortages.

The *multi-sector tracer study* on the impact of learnerships evaluated the external effectiveness of learnerships under the National Skills Development Strategy II (NSDS II). The key finding was that the learnership experience is not linear, and though it didn't benefit all, it benefited most learners. Those who completed their learnerships were more likely to have a positive labour market outcome, including finding employment.

The *employment equity sub-studies* provided insight into the rationale for the apparent lack of advancement of designated and historically disadvantaged groups in the labour market. One sub-study showed that while there had been important and positive shifts in the post-school qualifications profile of designated groups, this was highly differentiated. While the supply of African undergraduates often grew at the fastest rate, they continued to qualify in traditional study fields such as education but seldom in engineering and science. On the other hand, whites tended to qualify in business and engineering, which often resulted in their continued employment in scarce skill occupations.

Results from selected studies were cited by Minister of Labour Membathisi Mdladlana in his budget vote speech on 15 May 2008. The minister referred to the studies on progress towards employment equity targets, national

training rates (NSS 2008) and the impact of learnerships on employment: 'We are investing more in the education and training of our people and training more and more workers in accordance with NQF standards. Employers are spending two times more than what the levy system requires of them, and more employers are also claiming back from the system. These are the fruits of our labour which give us reason to celebrate (also reported on page 86).'

Education, Science and Skills Development programme

Employment scenarios

By creating employment scenarios, the HSRC can offer guidance for the formulation of policies aimed at halving unemployment and poverty.

The support for the scenario project was strengthened in 2008/09 by our hosting a number of presentations and workshops for stakeholder groups to debate findings. The research work has continually generated positive energy and momentum. Many top politicians in cabinet and Parliament are in the HSRC scenario group, including new Minister of Finance, Pravin Gordhan, and newly appointed speaker of Parliament, Max Sisulu.

The initial emphasis was on sources of employment creation. The next round of work, begun in 2008, focuses on labour market and poverty reduction questions, with emphasis on youth employability, household food security and migration.

The first scenarios were developed in 2007, but we have had to develop new scenarios due to the global economic crises in 2008/09. The new scenarios take into account the latest economic conditions and make it clear that special interventions will be needed to achieve the target of halving unemployment in South Africa by 2014.

While the scenario work continues, some of the successes so far include:

- Producing cutting-edge original research and thinking about the links between employment, growth and poverty.
- Setting expectations in respect of potential employment that could arise from key sectors of the economy. This has been particularly important in respect of both the private and public sectors.
- Drawing mental links between growth-inducing policies and employment creation, and helping policy makers understand the opportunity costs of their choices and of policy implementation delays.
- Identifying critical choices in the allocation of the national budget aimed at halving unemployment, to empower stakeholders to effectively engage in dialogue on resource trade-offs.

There has been continued success in drawing together top experts and decision-makers and in disseminating ideas. We have developed an innovative network model in scenario building that operates like a hub and spokes: it has a core employment scenarios group and various links to major stakeholder networks and decision-making forums.

The *HSRC Employment Scenarios* are generally regarded as major documents that need to be read in respect of South Africa's economic future.

Centre for Poverty, Employment and Growth

Employment scenarios and monitoring and evaluation

In partnership with the Department of Trade and Industry (dti), the HSRC has moved the employment scenarios into a second phase, focusing on monitoring and evaluating the development path.

We have identified three possible long-term paths leading to 2014 and 2024. The indicators help to show what path the economy is on and enable us to give a picture of future trends.

The research includes:

- Producing a new leading indicator of employment for South Africa.
- Structural path analysis that models the path through which investments impact on economic outcomes. In this project, we collaborated with experts from the University of Copenhagen.
- Identifying how employment responds to economic growth based on four developing country case studies, namely Argentina, Thailand, Chile and Brazil. This was prepared in partnership with experts at the University of Toronto.
- The 'productivity conundrum' whereby productivity is a key contributor to economic growth, dynamism and ultimately enables real wage growth and rising living standards. However, in the short run, productivity growth reduces the rate of employment growth relative to GDP. In the context of high unemployment, there may be trade-offs that need attention.
- The impact of the global economic crisis on employment and incomes in South Africa. This includes insights into strategies adopted by other developing countries and the impact on industrial sectors.

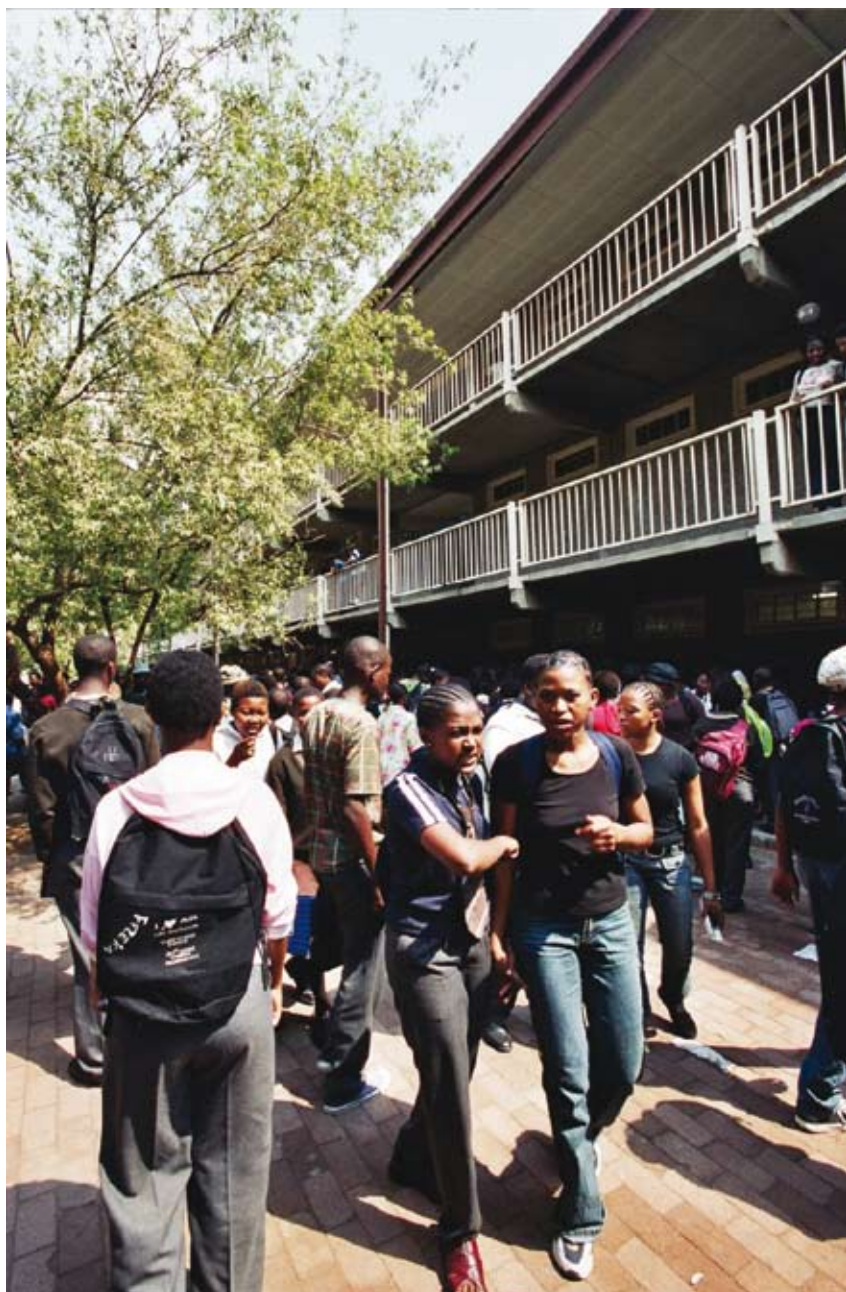
To fully realise the results of this work, the HSRC hopes to further develop these capabilities in 2009/10.

Centre for Poverty, Employment and Growth

Employment through procurement

In South Africa, where there is a high level of industrial concentration, small enterprises find it difficult to enter the business arena. The procurement by large corporations may be one of the main strategies to promote local economic development, small business and related employment opportunities.

The HSRC project involves promoting innovations in private procurement and supplier development.



It aims to identify innovations, work with implementing agents to test the innovations, and then share these findings with a knowledge network.

The Codes of Good Practice on Black Economic Empowerment issued under the Black Economic Empowerment Act and the sector transformation charters have provided strong incentives for companies to achieve specific procurement targets. However, many companies are not sure how to procure in order to achieve these targets and there is a need to develop the knowledge base on procurement approaches in this regard.

The project is still running and our project partners are the National Business Initiative, the WK Kellogg Foundation and the Tshwane Metropolitan Municipality.

Centre for Poverty, Employment and Growth

Enhancing the employability of youth

At present, school leavers have less than 50% chance of finding work before the age of 24, and even less so if they are black. This is true for matriculants and non-matriculants.

Approximately 500 000 learners leave school annually and every year a large percentage of them end up joining the group of long-term unemployed youth. Given the global economic crisis, the problem is likely to worsen and lead to further social and economic consequences.

To address the situation, the HSRC project focuses research on the majority of school leavers who are unlikely to go into tertiary education. The main concern is how to rapidly reduce the unemployment rate of school leavers entering the labour market over the coming years.

A series of research papers, funded by the Department of Trade and Industry and by the Second Economy project at TIPS/ComMark, have been produced to explore approaches related to the education system, post-school education, non-formal education, and improved entry level job opportunities in the public and private sectors.

The research papers were produced by a range of experts and 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. A number of proposals have also been developed so far.

Furthermore, the HSRC has signed a memorandum of understanding with the Tshwane Metropolitan Municipality whereby both parties agree to establish a centre of excellence on employment creation. A major area of work will involve identifying, implementing and testing scalable innovations to enhance the employability of school leavers.

Centre for Poverty, Employment and Growth



Capacity development

In 2003 the HSRC embarked on an internship programme. The programme has culminated in the launch of a new researcher development programme that commemorates the life and achievements of Es'kia Mphahlele, the international award-winning writer, quintessential teacher and tireless fighter for the revival of African consciousness.

Our initiatives have resulted in:

- Improving the capacity of HSRC researchers and in particular of black and disadvantaged researchers and scientists; and
- Developing capacity of researchers outside the HSRC realm, in the rest of the country and of the continent.

Developing the capacity of HSRC researchers

The HSRC offers young scientists cutting-edge opportunities that are rarely available in similar organisations and aims at contributing to a broader transformation of the South African society by developing scientists who can take positions in the HSRC, or in similar research organisations, and assume leadership roles.

The new Human Sciences Research Council Act, 2008 (Act No 17 of 2008), which came into operation on 5 December 2008, serves as further inspiration for our organisation to continue building research capacity and infrastructure for the human sciences.

The financial support of the Department of Science and Technology provides an impetus to increase the numbers of trainees and create a sustainable programme. The continued support of our development partners also contributes to our increasing the number of young researchers-in-training.

Through our researcher trainee programme, the HSRC offers support at various levels, including master's degrees, PhDs and post-doctoral fellowships, and to bring new researchers into the science system. These strategic commitments cut across the work of the HSRC.

Agreements with the Department of Labour have provided specialised research capacity support for research interns while higher education institutions provide for shared capacity development.

During the 2008/09 budget year, the HSRC provided opportunities for 30 master's and 30 PhD interns under the mentorship of our most senior researchers and research managers. The organisation also nurtured ten post-doctoral fellows from South Africa and other parts of Africa.

During the last financial year, research interns either authored or co-authored eight peer-reviewed articles in professional journals and submitted another four for publication; authored or co-authored eight books or chapters in books, published four articles in non-peer reviewed journals, presented 20 conference papers, and contributed to 10 research reports.

Policy Analysis and Capacity Enhancement (PACE) unit

Developing capacity beyond the HSRC

Various projects at the HSRC also include developing capacity beyond the organisation and beyond South Africa's borders.

In the project *Measuring service delivery in southern Africa* (SAT), research capacity was developed in four southern African countries through full partnership participation, commenting on drafts, editing and preparing for publication (more information under the theme Poverty Development, on page 59).

In the project on accelerating sustainable water service delivery in the Eastern Cape (reported on page 62), the Centre for Service Delivery has undertaken the social mobilisation of the community to prepare community structures to oversee and then manage the implementation of safe drinking water technology.

A task team was elected and trained to oversee decisions in relation to the appropriate technology to be used in the project, write a municipal community partnership agreement, and direct and implement the health promotion campaign.

Centre for Service Delivery

The elders of Mnxekazi village in the Eastern Cape at the public meeting held to elect a Community Task Team to implement the project on accelerating sustainable water delivery.

Capacity in education quality

In a capacity building exercise aimed at educators working in the field of improving education quality, Dr Anil Kanjee was appointed by the Tshwane University of Technology as professor extraordinaire.

The programme will supervise students in a graduate programme that intends to foster the research and analytical capacity of education officials and policy makers; facilitate evidence-informed dialogue among people with a direct interest in education; increase the pool of experienced individuals working in the field of improving education quality, particularly black and disadvantaged researchers and practitioners; and develop an evidence base for projects, programmes and interventions to improve education quality in South Africa.

In line with an memorandum of understanding (MoU) signed between the HSRC and the Tshwane University of Technology, this programme will run for an initial period of five years, from 2009 to 2014.

Centre for Education Quality Improvement

