

Labour Market and Job Creation

Employment creation and the development of South Africa's human resources constitute a major part of the research agenda in this New Priority Area (NPA). Its focus is primarily on the provision of information on the demand for and supply of labour in South Africa. The NPA aims to support the government's recently announced HRD Strategy, from the "demand side", and the economic imperative of creating employment for a growing labour force. It therefore collaborates closely with the HRD NPA, which works on the "supply side".

Issues analysed include the impact of national and sectoral policies; globalisation and technological advancement on the demand for labour; trends in the deployment of labour across industries and occupations; the special human resources needs of the informal sector of the economy, and of small, medium and micro-enterprises, and the spatial distribution of employment opportunities and human resources.

Research is also done on the impact of these issues on different forms of employment (e.g. outsourcing, subcontracting and temporary work), employment equity, workers' skills and their skills transferability, remuneration, benefits and job security.

During 2000/01 the NPA researched several key aspects of the labour market and job creation. A **labour market analysis** for South African public further education and training colleges was done at the request of the National Business Initiative. It investigated economic and employment trends; skills needs of the provincial economies; the educational composition of the local workforces, and training provision in the various provinces. Copies of these analyses are available on the Colleges Collaboration Fund's website (at <http://www.ccf.org.za>).

Two projects on the self-employment of **graduates** were completed. The one entailed a study of the profile of growth-oriented businesses among the self-employed for the Professional Provident Society. A more comprehensive survey was also conducted on issues such as the nature of businesses run by self-employed graduates; the skills required for self-employment; factors that motivate graduates to become self-employed; difficulties experienced by self-employed graduates in starting and running their own businesses, and factors contributing to the success of self-employed graduates. Because of the questions surrounding the number of South African graduates who are emigrating, the research also attempted to gauge self-employed graduates' intentions of leaving the country. The research results will be published during 2001.





Employment experiences of graduates were covered in a follow-up study to previous HSRC research (published in 1999). The focus was on first-time jobs (especially the ability of graduates to secure employment and the time taken to do so); reasons for graduates' unemployment and steps taken by them to find jobs; the relevance to the job market of skills and knowledge acquired in higher education, and graduates' future study and work plans.

The results revealed that more than 59% of the graduates were able to secure employment immediately after obtaining a degree. Almost 94% of the remainder succeeded in finding a job within the first year after they had graduated. Graduates in the field of medical science and engineering were the most successful in their search for employment, while those qualifying in the humanities and arts, law and natural science found it more difficult to find a job immediately. It is, however, encouraging to note that immediate employment rose from its lowest level (56%) among graduates who qualified in 1996, to 65% among those qualifying in 1998.

In a study commissioned by the Mining Qualifications Authority (MQA) and German Technical Co-operation, the NPA analysed the current supply of skills, current and future **skills needs**, and factors impacting on employment in the **mining and minerals sector**. All land and offshore mining operations, as well as the manufacture of jewellery, cement, lime and plaster, were included in the study which comprised a survey and a series of focus group meetings with employers, employees and government representatives. The study served as a basis for the Sector Skills Plan submitted by the MQA to the Department of Labour. The skills analysis was followed by an assessment of the skills and training needs of skills development facilitators in the mining and minerals sector.

In its task of developing and maintaining a well-functioning public service, the Department of Public Service and Administration (DPSA) identified a need for baseline information on the state of **training and education in the public service**. The NPA was subsequently commissioned to research the number of public servants trained in each department and the type of training they received; the expenditure on education and training in different government departments, and the impact of training on employees' job performance, attitudes and service delivery. Recommendations were also made on future public service training and education strategies.

We need a new social contract that puts people first by creating decent jobs ... for the millions that lack basic necessities.

– Zwelinzima Vavi, General Secretary, COSATU

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Globalisation and its implications for the transformation process in South Africa pose many interesting challenges for researchers in this field. A study by the NPA on the impact of **economic globalisation** on the South African **automobile industry** in 2000/01, revealed that it had had a negative effect on profitability and employment in the industry between 1991 and 1998. The report accordingly recommended that the government should implement measures to prevent the decline of the domestic industry in general and decreasing employment in the automobile industry in particular.

During the year under review the HSRC entered into strategic partnerships to reduce its database-maintaining responsibilities and to free resources for strategic research. The **Register of Graduates**, a database of more than 600 000 university graduates, was therefore transferred to the South African Qualifications Authority (SAQA). This will enable SAQA to include a much wider range of qualifications than was previously possible in its National Learners Records Database. The HSRC also sold its **Career Mentor** programme to a private company which will in future update and market the programme's products.

The NPA will in the **future** maintain its research focus on projects related to the HRD Strategy. A general increase in the skills level of South Africa's workforce will improve the country's competitiveness and economic growth potential. At the same time skills development must be closely aligned to the needs of the labour market. To this end skills needs and the effectiveness of skills development programmes will be assessed and monitored. The NPA will also continue to research job creation and small business development.

A further crucial and expanding research area is the impact of HIV/AIDS on the labour market. A project is currently evaluating the effect of the epidemic on the health sector and, more specifically, health workers.

ENQUIRIES

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