

A framework for job creation

A 1994 election poster proclaimed: "Let's get South Africa working: jobs, jobs, jobs". Four years on, employment figures and trends paint a dismal picture.

Employment is at its lowest level in 16 years. Figures for the formal sector from June 1996 to June 1997 show that all sectors have lost jobs, with the exception of the wholesale/retail trade and financial services. Sixty two thousand jobs were lost in the first six months of 1997, flying in the face of GEAR targets. The longer-term trends are cause for equal concern: between 1990 to 1996 the manufacturing sector shed 9,1% of its jobs, with construction employment falling by 21,3% and mining by 27,5%. The public sector has maintained a record of job creation, but it was recently announced that it, too, will lose tens of thousands of jobs.

Total unemployment is currently estimated at 29,3%. Women and youth are particularly hard hit. The majority of unemployed people (69,2%) have never worked.

Taking action

In recognition of the unemployment crisis, a presidential jobs summit has been announced. The Nedlac Executive Council has outlined a broad approach to a job creation strategy, and the process towards the summit. It describes the South African economy as "fundamentally not a labour absorbing one", and asserts that "an ambitious and co-ordinated policy programme will be required to address key constraints and pursue opportunities."

What kind of policy interventions are

needed to significantly arrest current employment trends? At the heart of an effective employment creation strategy must be a conceptual framework, which addresses overall perspectives and strategic approaches. In the absence of such a framework, or in the eventuality of an inappropriately conceived framework, employment creation policies are bound to flounder.

The National Labour and Economic Development Institute (Naledi) has produced proposals on a job creation framework. The research which appears in this focus forms part of these proposals. They have been presented to COSATU and will support the federation in its participation at the jobs summit. They are still in the process of discussion within COSATU structures and obviously do not necessarily reflect the views of the federation. Hopefully, they will contribute to what is, perhaps, the most crucial area for debate in South Africa today.

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The authors of this focus are Jeremy Daphns, James Helntz, Claire Horton, Liesl Orr, Vishwas Satgar and Fiona Tregenna, who are all based at Naledi.