Draft Proposal for Jobs Summit: Enhancing Learning Capabilities through Developmental Praxis (TUT: IERI; UJ: CERT & CoPI; NMU: CIPSET)

1 Problem statement

Unemployment, Under-employment, Precariariousness, and Informality are some of the characteristics that describe our contemporary global conjuncture. These four aspects are vested in the capitalist mode of production and essentially describe the relations emergent in the wage-nexus whereby labour power is transacted for a return of wages and salaries. Haussman has argued that “The developing world’s fundamental problem is that capitalism has not reorganised production and employment in the poorest countries and regions, leaving the bulk of the labour force outside its scope of operation” (2015). According to Haussman, “the capitalist reorganisation of production petered out in the developing world, leaving the vast majority of the labour force outside its control. The numbers are astounding. While only one in nine people in the United States are self-employed, the proportion in India is 19 out of 20. Fewer than one-fifth of workers in Peru are employed by the kind of private businesses that Marx had in mind. In Mexico, about one in three are” (ibid.).

According to the International Labour Organisation (ILO), the world’s total employment is approximately 3.3 billion people in 2018 (ILO, 2017). The ILO argues that the global labour force participation rate peaked at a level above 64% and steadily declined since 2004 (ibid.). South Africa’s persistent high rate of unemployment, increasing under-employment, widening precarity, and expanding informalisation is deeply structural, rooted as it is in history and the failure to effectively redress the effects of colonialism, racial capitalism, and apartheid, exacerbated by a radically altered global economy since the early 1990s.

Fundamentally, the main contributing factors to this problem are due to dominance of a neoliberal development model and the insistence on the paradigm of ‘new public management’ (1). These factors have also served to prevent decolonisation of curricula, the emergence of a high-quality fee-free education and training system and the reliance on a trickle-down mechanism as a market-led means of redistribution. Since the advent of democracy, the underpinning of the South African national system of innovation (NSI) has evolved towards a finance-led accumulation regime, implicitly foregoing an alternative path towards a knowledge-led accumulation regime. (The origin of this problem in the

democratic era lies in the failure of the state to act as the base for the coordination mechanism required to effect the transformation of the South African NSI towards a rapidly learning\(^2\) competitive economy. The policy orientation towards market liberalisation, allowing markets to act as the economy’s coordinating mechanism, has effectively entrenched structural unemployment. Ironically, the formation of the National Economic Development and Labour Council (NEDLAC) by the first democratic government should have provided the institutional base for the development of such a coordination mechanism through a consultative process built on a cooperative rather than a conflictual engagement between the state, organised labour and private enterprise. For several reasons, NEDLAC failed to develop into the apex economic planning and coordinating state agency function but its statutory endurance can provide the basis for renewed attempts at rethinking the appropriate and relevant developmental model for South Africa.

This proposed project is framed within the broad conceptualisation of the systems of innovation approach to economic dynamics\(^3\) of contemporary capitalism in South Africa as developed in the global South. Its scope is to design, conduct and assess a pilot study on the feasibility of alleviating structural unemployment in South Africa. Included in the pilot study are a focus on youth unemployment through the linking of graduates of Further Education and Training (FTE) colleges to internships and employment streams in municipalities as well as to Adults who are Not in Employment, Education, and Training (NEET).

2 Jobs impact

The proposed pilot studies are aimed at two distinct sources of structural unemployment in the South African economy – (a) youth entering the job market for the first time, and (b) workers who are threatened by the possible labour substitution envisaged in the discourse of the 4\(^{th}\) industrial revolution and shifting cost ratios.\(^4\) Whilst the study will target specific sectors and categories, their outcomes may be used to address structural unemployment across the economy by transforming the NSI into a flexible learning economy with necessary safety nets and guarantees to ensure the sustainability of learning.

The direct employment benefits of the project will be on the samples of youth and of mine workers who are part of the pilot project. The success of the pilot will have implications for policy and strategy


3 Theory of change

The ‘theory of change’ deployed in this proposal derives from the critique of political economy and includes the national systems of innovation literature, educational and development theory in general.

4 Existing initiatives/experience

This project is original and has no precedent. The group of participating academics listed below have a body of research in the related areas of education, labour, and innovation systems. The project will also involve a group of postgraduate students as assistant researchers.

Ivor Baatjes - Director of the Centre for Integrated Post-School Education & Training (CIPSET) at the Nelson Mandela Metropolitan University

Mondli Hlatshwayo – Senior Lecturer at the Centre for Education Rights and Transformation, at the University of Johannesburg

Rasigan Maharajh - Chief Director: Institute for Economic Research on Innovation, Tshwane University of Technology; Professor Extraordinary: Centre for Research on Evaluation, Science and Technology, Stellenbosch University; Node Head: Department of Science and Technology and National Research Foundation Centre of Excellence in Scientometrics and Science, Technology and Innovation Policy, RSA.

Enver Motala - Researcher at the Nelson Mandela Institute for Rural Education and Development and Adjunct Professor at the Nelson Mandela Metropolitan University

Mario Scerri - Professor of Economics and Senior Research Fellow, Institute for Economic Research on Innovation (IERI), and DST/NRF Centre of Excellence in Scientometrics and STI Policy, Tshwane University of Technology; Professor Extraordinary, Centre for Research on Evaluation, Science and Technology, Stellenbosch University; Visiting Senior Researcher, School of Economics and Business Studies, University of the Witwatersrand

Salim Vally - Director of the Centre for Education Rights and Transformation at the Faculty of Education and an Associate Professor at the University of Johannesburg

Erika Kraemer-Mbula – Associate Professor, School of Economics, University of Johannesburg; Researcher, DST/NRF Centre of Excellence in Scientometrics and STI Policy; Associate Professor Extraordinary, Centre for Research on Evaluation, Science and Technology, Stellenbosch University.

Selected relevant publications:


5 Constituency participation in implementation

The success of this project depends critically on the ongoing participation of representatives of relevant state structures, government agencies, relevant labour unions, and specific private and public sector enterprise representatives.

6 Benefits

The immediate beneficiaries of the project will be the sample groups of youth and mineworkers in the pilot phase of the project. In the longer term the success of the project will benefit those sectors of the actual and potential labour force represented by the sample groups. The project should hold significant benefits for the future of trade relations in South Africa and strengthen NEDLAC in fulfilling its base mission of actualising a collaborative relationship between the state, organised labour and the private sector towards an inclusive national developmental trajectory.

<table>
<thead>
<tr>
<th>Group</th>
<th>Job creation</th>
<th>Other benefits</th>
<th>Time frame for success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth in Training</td>
<td>YES</td>
<td>Ongoing education and training</td>
<td>One Year</td>
</tr>
<tr>
<td>Mineworkers</td>
<td>YES</td>
<td>Ongoing education and training, aimed at opening up alternative job opportunities</td>
<td>One Year</td>
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<tr>
<td>Municipalities</td>
<td></td>
<td>Securing skilled labour complement</td>
<td>One Year</td>
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<tr>
<td>Labour Unions</td>
<td></td>
<td>Flexible labour market designed for increased job security; enhanced bargaining platform</td>
<td>One Year</td>
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<tr>
<td>Group</td>
<td>Job creation</td>
<td>Other benefits</td>
<td>Time frame for success</td>
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<tr>
<td>State</td>
<td></td>
<td>Deepening of the technological capabilities of the South African labour force</td>
<td>One Year</td>
</tr>
</tbody>
</table>

### 7 Cost and potential sources of funding

What social/economic groups would bear the cost of implementing the proposal directly or indirectly? Please use the following table, and do not list more than 5 groups. Please describe the costs as precisely as possible. In the case of financial costs, who would pay them?

<table>
<thead>
<tr>
<th>Group</th>
<th>Anticipated costs</th>
<th>Potential sources of funding to implement the project</th>
<th>Time frame for impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipalities</td>
<td></td>
<td></td>
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<tr>
<td>Relevant state department</td>
<td></td>
<td></td>
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<tr>
<td>Private enterprise</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Labour unions</td>
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</tbody>
</table>

### 8 Risks

- The main risk is that, even if the project is successful its long-term policy implications may be ignored.
- There may be difficulties in the coordination of various stakeholders with possible contradictions in the various entrenched short-term objectives.
- The choice of sample candidates for the pilot projects is critical to their success.

### 9 Risk mitigation

Institutionally, NEDLAC should be the seat of coordination of this project. It is envisaged that there will be extensive consultations and multi-stakeholder workshops to secure the commitment of the various participants in this project.
10 Additional comments

Assuming the commitment of all of the identified stakeholders, the long-term success of this project depends on ongoing monitoring and learning by the academic group. This will ensure the recognition of unforeseen implementation problems and enable the correction of possible project design flaws.