

WORK AND EDUCATION IN SOUTH AFRICA: A MACRO-LEVEL ENQUIRY

*Arbeit – Bildung – Muße
Südafrikanische Perspektiven der Arbeitsgesellschaft*

Arnoldshain, Germany
4 December 2005

Clint Le Bruyns
bns@sun.ac.za

Introduction

To talk about work is to talk about one of the most important features of peoples' lives in South Africa today. As R Brown notes, "The availability of opportunities for employment, and the conditions under which people are employed, still have more impact on most individuals' chances than many other more fashionable concerns. Work and employment structure our lives and shape inequalities of condition and opportunity to a greater extent than most if not all areas of social life."¹ For a nation committed to the quest for 'a better life for all', the question of labour demands urgent attention for our future development and wellbeing. It is understandable why labour issues make the daily news, or why government is so concerned about job creation, or why trade unions occupy such a pivotal role in civil society, or why we participate in such academic forums and consultations on work. Work holds us together.

Yet what supposedly holds us together is itself undergoing phenomenal changes. The public discourse around the broader world of work employs such jargon as "liquid modernity"² to refer to the increasing fluidity of social frameworks and institutions that make the world of work a setting in which instability, uncertainty and anxiety flourish; or "runaway world"³ to refer to the overwhelming and rapid changes and accompanying risks that make the world of work an arena in which elusivity and uncontrollable elements are apparent; or "fast capitalism"⁴ to refer to the domination of information technologies that make the world of work a global space of instantaneity, acceleration, ubiquity and consumerism. In this globalising era, the world of work in South Africa forms part of these broader transformations that impact it at the local, national, regional and global levels.

This notwithstanding, there are also some distinctive aspects of the changing world of work in South Africa. According to E Webster and K Von Holdt, post-apartheid South Africa has in its first decade of liberation been exposed to a "triple transition – towards political democracy, economic liberalisation and post-colonial transformation".⁵ More specifically, the political dimension involving a transition "from authoritarianism to

¹ Richard Brown, *The Changing Shape of Work* (London: Macmillan, 1997), 1.

² Zygmunt Bauman, *Liquid Modernity* (Cambridge: Polity, 2000). See also, for example: *Liquid Love* (Cambridge: Polity, 2003); *Wasted Lives: Modernity and its Outcasts* (Cambridge: Polity, 2004); *Liquid Life* (Cambridge: Polity, 2005).

³ Anthony Giddens, *Runaway World: How Globalisation is Reshaping our Lives* (London: Profile, 2002).

⁴ Ben Agger, *Speeding Up Fast Capitalism* (London: Paradigm, 2004).

⁵ Edward Webster and Karl Von Holdt (Eds), *Beyond the Apartheid Workplace: Studies in Transition* (Scottsville: University of KwaZulu-Natal, 2005), ix.

democracy has created a host of new democratic and social rights for workers, trade unions and citizens, and generated at the same time an intense contestation over the realisation of these rights"; the economic dimension involving a transition "from a domestically oriented economy to a more globally integrated one ... has been accompanied by processes of corporate and workplace restructuring"; and the social dimension involving a transition "from apartheid to a post-colonial order ... has impelled profound processes of redistribution of power and access to resources, occupations and skills, together with intense struggles over these".⁶ These transitions in the broader and South African setting render the world of work in South Africa nothing less than complex and challenging.

Given this complex and challenging nature of the world of work in South Africa, the following question could be raised: To what extent, if any, is there agreement on the current state of labour in the post-apartheid South African milieu? In other words, does any consensus exist on how we are doing as a young democratic nation on the question of work and employment? To engage with this question, I suggest that there are arguably four primary perspectives on the world of work in South Africa today, which help us appreciate both its problem and promise for the future. The contribution of S Terreblanche, a prominent emeritus professor of economics from the University of Stellenbosch and A Hirsch, Chief Director of Economic Policy at The Presidency, are particularly resourceful for gaining insight into the current state of affairs in the South African labour market.

1. The world of work is succeeding – and that is good

South Africa made important gains during its first decade of democracy. Our transition from apartheid to democracy is hailed worldwide as a political miracle through which the human rights and human dignity of workers now receive constitutional attention. Since 1994 there have been significant new labour laws – the Labour Relations Act of 1995 and 1996, the Basic Conditions of Employment Act of 1997, the Employment Equity Act of 1998, and the Skills Development Act and Skills Development Levies Act of 1998 and 1999 respectively (see *Appendix 1*).⁷ We can agree with Terreblanche: "From a political and human rights point of view, South Africa is an incomparably better country ... than it was before its political transformation began in 1990."⁸ "The momentous importance of the political transition of 1994," he explains, "was that it opened, for the first time ever, a window of opportunity for restoring social justice for blacks after centuries of social oppression, political domination, and economic exploitation."⁹

On the economic front, we can agree with A Sparks who underlines the good performance of the South African macro-economy: "We have ended diplomatic isolation and rejoined the community of nations to play an influential role on the international stage. We have resuscitated an economy that was on its deathbed, restoring fiscal discipline, cutting the budget deficit, reducing the national debt, bringing inflation down from double figures to within a target range of 3% to 6%, slashing interest rates from a high of 24% under apartheid to 14% prime, lifting trade barriers, removing a maze of tariffs and import duties, and generally winning universal praise for establishing a sound macroeconomic base from which hopefully to build future prosperity. It is indeed another country".¹⁰

⁶ Ibid., 4.

⁷ See Alan Hirsch, *Season of Hope: Economic Reform under Mandela and Mbeki* (Scottsville: University of KwaZulu-Natal, 2005), 183.

⁸ Sampie Terreblanche, *A History of Inequality in South Africa, 1652-2002* (Scottsville: University of Natal, 2002), 27.

⁹ Ibid., 29.

¹⁰ Allister Sparks, *Beyond the Miracle: Inside the New South Africa* (Cape Town: Jonathan Ball, 2003), 3-4.

Hirsh adds fuel to the positive economic fire: "The achievements of the first 10 years were considerable. Macro-economic policies stabilised a very unsteady economy. The fiscal deficit came down from a giddy 9.1% in 1993, to 2.5% or less in the 2000s. Public sector debt came down from 64% of GDP in 1994 to about 50% of GDP in 2004. ... Monetary policy has had considerable successes too. In 2004, the inflation rate fell to its lowest level since 1959, and the Governor of the South African Reserve Bank (SARB) was able to bring nominal interest rates down to their lowest level since the early 1980s. Moreover, an overhang of US\$25 billion in the forward book was completely eliminated, and the central bank's reserves are growing steadily, with gross reserves at about US\$15.1 billion by January 2005, and net reserves US\$3.5 billion less."¹¹ We could continue with Hirsch's list, but his conclusion is clear: "There is no question that both the performance of the economy and delivery to the poor have both improved considerably."¹²

Given these claims, this particular perspective finds the world of work in post-apartheid, democratic South Africa progressing in various ways toward the realisation of the quest for 'a better life for all'. But, for others, this is not the primary lens through which they view the new world of work in South Africa.

2. The world of work is struggling – and that is bad

The saying "no news is good news" rings true for the labour question in South Africa because labour certainly makes news everyday and it is predictably disconcerting news. From the media's accounts of how less-than-adequate some workplace conditions are (e.g. state hospitals, public schools), to its regular stories of discrimination at work (e.g. racial, gender, HIV-AIDS), to its detailing of continual tensions between corporate business and trade unions (e.g. over wage increases) – these all make it clear that all is not well within the world of work in South Africa, that the journey toward 'a better life for all' appears still far out of view. The 2005 IDASA (Institute for Democracy in South Africa) Democracy Index, a scorecard of the current state of our democracy, included an assessment of labour matters and found that the search for human dignity within the world of work in South Africa reflected some shortcomings and inadequacies in the light of prevailing discrimination, inequalities, limited opportunities, questionable work conditions and remuneration, and continuing poverty.¹³

Terreblanche contends that while we can be proud of the political and human rights transformations that have taken place thus far, unfortunately we have not encountered "a corresponding socio-economic transformation".¹⁴ Instead, "Ugly remnants of systemic exploitation and discrimination from the extended period of colonialism remain. What is really disturbing is that the precarious socio-economic situation in which large numbers of Africans and coloureds find themselves has not improved during the post-apartheid

¹¹ Hirsch, *Season of Hope*, 235ff.

¹² *Ibid.*, 237.

¹³ Richard Calland and Paul Graham (Eds), *Democracy in the time of Mbeki: IDASA's Democracy Index* (Cape Town: IDASA, 2005), 35-37 and 229-232. With its 100-question index comprising five major sections for assessment, it is the last section on "human dignity and democracy" in which labour matters are addressed alongside socio-economic rights' protection, health care, education, poverty, delivery of social and economic rights, and corporate governance. Three questions are posed under the sub-division of 'jobs, and rights in the workplace':

90. *Is there equal opportunity for all, irrespective of race, in the workplace?*

91. *How far are workers' rights to fair rates of pay, just and safe working conditions and effective representation guaranteed in law and practice?*

92. *How far are wage levels and social security or other welfare benefits sufficient for people's needs, without discrimination / equally?*

The findings of the Index revealed that the labour situation in South Africa is not measuring up to its democratic ideal in which human dignity is experientially realised. With a score of 10 representing the ideal, the three questions came up with a score of 6-6-5 respectively

¹⁴ Terreblanche, *History of Inequality*, 27.

period, but has in fact become more burdensome.”¹⁵ While “it is true that Rome was not built in a day, and that the injustices of centuries cannot be healed in a decade”, Terreblanche still maintains that “it is certainly not unreasonable to have expected some visible progress towards greater social justice for the poor” during these first few years of democratic rule.¹⁶

The most serious problem negatively impacting the world of work in South Africa is that of unemployment. One of the key political slogans of the ANC (African National Congress) in previous elections was “Let’s get South Africa working”. The 2005 Afrobarometer survey of attitudes to democracy, citizenship and governance revealed that, according to 77% of people, job creation was cited as the country’s highest priority. Various opinion surveys reveal a consensus that it is not poverty or low wages or housing or inequality per sé that features as our nation’s most critical concern and challenge, but the scourge of unemployment. And it is the very poor who yearn for greater social justice who become the greatest victims of unemployment.

Hirsch draws attention to the seriousness of the unemployment problem in South Africa with its transitional economy by highlighting the following points:¹⁷

- *Unemployment is usually regarded as synonymous with poverty. Empirical research indicates that the poorer you are, the more likely you are to be unemployed, so that a higher percentage of unemployed members are found in poorer households.*¹⁸
- *Unemployment statistics have been hotly debated in the political terrain, which has not always made it easy to gauge how large the unemployment problem is. Following a study that proposed South African government figures were incorrect, mostly under-estimating employment levels, the South African government overhauled its employment measurement machinery in the late 1990s through its revamped statistical agency, Statistics South Africa.*¹⁹
- *Unemployment is very unevenly distributed. High on the receiving end are young people (75% of the unemployed are less than 35 years of age), Black-coloured-Indian South Africans respectively, and those in rural areas.*
- *Unemployment grew between 1995 and 2003, even though job creation grew faster than the population growth rate, due to the exceptionally fast rate of the economically active population over the same period (from 11.4 million in 1995 to 16.8 million in 2003; an annual growth rate of 5% compared to the population growth rate of 1.6% in 2003). The*

¹⁵ Ibid.

¹⁶ Ibid., 29.

¹⁷ Hirsch, *Season of Hope*, 170ff.

¹⁸ See Clint Le Bruyns and Christoff Pauw, “Looking in Two Ways: Poverty in South Africa and its Ecclesiological Implications” in *Ned-Geref Teologiese Tydskrif*, Vol 45, No. 2 (Supplementum 2004), 202-213.

¹⁹ See Ibid., 205-206. Employment data are categorised according to the following groups: the employed, broadly unemployed, narrowly unemployed and the discouraged work-seekers. In general, unemployment refers to the number of people who are willing and able to work but who are not employed – thus normally excluding children under the age of 15 and adults of pension-receiving age, as well as physically- and mentally-challenged persons. According to the International Labour Organisation’s definition of unemployment, discouraged work seekers – those who are fit to work but are not actively seeking a job – fall outside the labour force, and are therefore not considered unemployed. This is the narrow definition of unemployment. In a developing country such as South Africa this may not be a suitable definition of unemployment as the costs involved in searching for a job are often so high that the rational choice is to stop searching. This is especially true in rural areas where job opportunities are extremely limited. It is more appropriate, therefore, to include discouraged work-seekers in unemployment figures. This is the broad definition of unemployment. Data shows that discouraged work-seekers are the most vulnerable group here. According to 1995 data, for instance, at a poverty line of R3000 per capita income, just over half of the narrowly unemployed fall below the poverty line, while about two-thirds of discouraged work seekers fall below the poverty line. Discouraged work-seekers are, typically, poorer than other unemployed persons. In fact, they are comparatively poorer than female-headed households and children below the age of fifteen. Social grants and education and training programmes targeted specifically to this group might therefore be one of the most effective ways to alleviate poverty. For further details, see Servaas van der Berg, *Poverty in SA - an analysis of the evidence*. Presented at EFSA Colloquium on 7 August 2003, Johannesburg; Servaas van der Berg, *Business Report - Has SA really experienced jobless growth?* at <http://www.busrep.co.za/index.php?fArticleId=360126> [27 February 2004].

suggested main factor rested with the entry of many black women to the job market during this period.

- *Causes of unemployment may be attributed to the following factors: the inflexible labour market; structural unemployment; trade liberalisation and unemployment; and, the floor price of labour in South Africa.*

Terreblanche discusses unemployment in the light of South Africa's legacy of colonialism, segregation and apartheid, and makes the following remarks:²⁰

- *Unemployment in South Africa is mostly structural (i.e. the overall inability of an economy to provide employment for the total or potential labour force, even at the peak of its business cycle) rather than cyclical (i.e. the extent to which employment fluctuates with business cycles).*
- *Unemployment worsened considerably during the last 25 years of apartheid, from 1970-1995 (see Appendix 2). This sharp increase in unemployment since 1970 is attributed to four closely interrelated factors: the slow growth of the economy since 1974; the growing capital-intensity of the economy, which has changed production methods; structural shifts in production, as reflected in a decline of the primary sector and a sharp increase in the service sector; and the sharp increase in the rate of growth of the Black population group since 1960.*
- *Structural unemployment has worsened since 1995 (see Appendix 3), an important reason being the moderate growth rate since 1994 that has not been high enough to counter the downward spiral of unemployment and poverty.*

Terreblanche proceeds to argue that what lies behind such socio-economic disorder is not only systemic or structural factors, but also "the inadequacy of the new government's economic and social policies", asserting "that the powerful corporate sector forced the new government into accepting a neo-liberal and globally oriented economic policy for the 'new South Africa'" that "systemically excludes the poorer half of the population from mainstream economic and political activity."²¹

T Ehrenreich, prominent General Secretary of COSATU (Congress of South African Trade Unions), similarly takes issue with the negative impact of globalisation and the government's economic policies.²² He criticises the power wielded by transnational corporations and their ilk in undermining state sovereignty in order to define policies in their own best interests, rather than in relation to the needs of the workers: "These days, policies are measured against what is defined as acceptable by the neo-liberal agenda and have pushed us towards an economic trajectory that, according to our own experiences, is making it difficult for South Africa to realise many of its developmental objectives."²³ Incorrect economic policies lie behind job losses.²⁴ From policies to labour laws, Ehrenreich recognises the important gains made on labour legislation, but laments implementation or applicational drag currently impeding labour rights from making a concrete difference to the lives of workers.²⁵ In any case, he adds, "labour rights, as great as they are, mean nothing if one is unemployed."²⁶

In the light of these findings, it is clear that the world of work in post-apartheid, democratic South Africa is struggling in various ways to contribute to the vision of 'a

²⁰ Terreblanche, *History of Inequality*, 372ff and 31-34.

²¹ *Ibid.*, 29.

²² Tony Ehrenreich, "Labour, globalisation and social cohesion in South Africa" in David Chidester, Phillip Dexter and Wilmot James (Eds), *What Holds Us Together: Social Cohesion in South Africa* (Cape Town: HSRC, 2003), 83-91.

²³ *Ibid.*, 84.

²⁴ *Ibid.*, 85.

²⁵ *Ibid.*, 86.

²⁶ *Ibid.*

better life for all' – and this is extremely bad for the ways in which it compromises the political, economic and social wellbeing of South Africans today in terms of their human rights and human dignity. For others, however, this as well as the previous perspective does not necessarily feature as their primary lens through which to view the emerging world of work in South Africa today.

3. The world of work is succeeding – and that is not necessarily good

A more critical perspective takes issue with the emergence of a new black elite in the world of work in South Africa. For these, the world of work is succeeding; for others, this is not necessarily good. According to Terreblanche, the enrichment of the top 20% of black households and the simultaneous impoverishment of the bottom 40% is a notable trend over the past 30 years.²⁷ During this period, the top 20%'s (+- 6 million) income increased by more than 60%, while the bottom 40%'s (+- 18 million) income declined by almost 60%.²⁸ "The end result of this dual process is the emergence of an African bourgeois elite capable of maintaining high living standards on the one hand, and an impoverished underclass or lumpenproletariat on the other."²⁹ Additionally interesting is that the income of the elite was eight times higher than the poorest in 1975, 19 times higher in 1991, 31 times higher in 1996, and is presently likely to be 40 times higher.³⁰

On the one hand, Terreblanche sees this as basically a healthy phenomenon: "a new South Africa would not have been possible without it. The role played by the new black elite in the higher echelons of politics, business, the bureaucracy, and the media, and in cultural and educational activities gives definition and direction to post-apartheid South Africa."³¹ So, "While those who now constitute the black elite were unjustly prevented under apartheid from reaching their full potential, it is heartening to witness their current progress and their contribution to the larger South African society."³² And yet, on the other hand, the black elite has unfortunately emerged during the same period in which the black underclass has become even poorer. Terreblanche posits that the elite were co-opted by the corporate sector: "The new black elite has been deceived by the controllers of white wealth and privilege into buying into neo-liberalism and globalism, despite the fact that these ideologies and their application in South Africa are to the detriment of the poor."³³

Regardless of how those adopting this perspective of the world of work in South Africa feel about BEE (Black Economic Empowerment) and black elitism, Terreblanche's following point is key: "The fact that, since 1994, both the white and black elite have expressed concern about poverty but are not prepared to make the sacrifices needed to relieve the plight of the poor is disconcerting."³⁴ Hence, "We are forced to ask: for how long can white wealth and elitism remain entrenched; for how long can the black elite continue to indulge in black elitism; and how far can the inequality between the black bourgeoisie and the black lumpenproletariat extend before the system cracks?"³⁵ According to this critical and provocative perspective, the vision of 'a better life for all' might have materialised for many of a minority, but as such remains a myopic vision that is far from acceptable to the greater majority of historically advantaged and disadvantaged.

²⁷ Terreblanche, *History of Inequality*, 132.

²⁸ *Ibid.*, 132-133.

²⁹ *Ibid.*, 133.

³⁰ *Ibid.*

³¹ *Ibid.*

³² *Ibid.*

³³ *Ibid.*, 135.

³⁴ *Ibid.*, 138.

³⁵ *Ibid.*

4. The world of work is struggling – and that is not necessarily bad

Another critical perspective takes cognisance of the numerous problems and developments within the broader and South African world of work, but is interested in exploring how these problems and trends might potentially serve good ends. The old Chinese proverb, “May you live in interesting times”, is particularly apt in this regard: It is to live in times of great change – a curse, perhaps! – yet at the same time in times of opportunity – a blessing! Webster and Von Holdt’s case studies of seventeen different workplaces, including BMW, a state hospital, footwear sweatshops, the wine farming industry, as well as the informal economy situations of street traders, home-workers and small rural enterprises, drew much attention to how “work and workplaces in post-apartheid South Africa are undergoing a complex process of restructuring”.³⁶ Its features include the following:³⁷

- *A reduction of autonomy in the context of economic globalisation;*
- *Two dominant trends in formal-sector workplaces – authoritarian restoration, and stalemate brought about by ineffective management and resistant trade unions;*
- *The persistence and reconfiguration of the apartheid legacy in the majority of workplaces;*
- *The differentiation of the world of work into three zones (the core, the non-core and the periphery) through processes of re-ordering the lines of variable inclusion and exclusion of South African citizens; (see Appendix 4)*
- *The weakening of trade unions;*
- *Deepening poverty and exclusion among great numbers of households, generating a crisis of social reproduction.*

Such restructuring makes for very ‘interesting times’; the critical challenge is to discern within and through these transitions those opportunities and prospects South Africa demands for its future import. Perhaps the prospect for a counter-movement based on social regulation rather than market regulation lies before us for further exploration and urgent attention.³⁸ The need exists “to investigate how the changing world of work is contributing to a crisis of social reproduction and to understand the new alliances, social movements and networks that have emerged to reduce the impact of poverty, rising unemployment, lack of basic resources and HIV/AIDS.”³⁹ What we should work towards is a movement to revitalise and reposition the role of civil society. Like our counter-movement during the apartheid era that took the form of a potent liberation force and overcame the enemy of human dignity, the task now exists to envision and “to form a counter-movement for the construction of an integrated society and of a public domain against the market”⁴⁰ (as it current exists).

Conclusion

The centrality of the world of work demands serious engagement in South Africa for its personal and public import. Each of the four discussed perspectives is valid and critically important for gaining proper insight into the nature and challenge of the world of work in South Africa. While there are gains and problems, there are also dangers and opportunities. To the extent that we appropriately and responsibly embrace these aspects, the quest for ‘a better life for all’ may be closer in view.

³⁶ Webster and Von Holdt, *Beyond the Apartheid Workplace*, 32.

³⁷ Ibid.

³⁸ Cf. Ibid., 32ff.

³⁹ Ibid., 38-39.

⁴⁰ Ibid., 34.

In this regard, the issue of education is all-important. The development of skilled workers in South Africa was impeded by historical reasons as well as the way in which the economy structure changed more quickly than the institutions imparting education and skills.⁴¹ The world of work thus wrestles with "a mismatch between the supply of labour (unskilled) and the demand for labour (skilled) in South Africa."⁴² According to reliable estimates, there are apparently 300,000 vacancies that remain unfulfilled in South Africa due to the shortage of appropriately skilled labour.⁴³ For such reasons, the issue of education demands urgent attention and exploration for realising the abundant life for which all South Africans yearn.

⁴¹ Hirsch, *Season of Hope*, 184ff.

⁴² *Ibid.*, 186.

⁴³ Cf. *Ibid.*

APPENDIX 1

APPENDIX 2

APPENDIX 3

APPENDIX 4