EXPERIENCE WITH SHORT TERM JOB CREATION: A BIBLIOGRAPHICAL SURVEY

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Saldru Working Paper No. 86
I acknowledge with appreciation the inputs of Dudley Horner and Faldie Esau in the design and editorial components of this work. The support of the International Food Policy Research Institute (IFPRI) in Washington, the Centre for the Study of African Economies (CSAE) in Oxford and the financial input of the Overseas Development Agency (ODA) were also invaluable.
Preface

This document attempts to provide both an introduction to and an information source on short-term job creation. It has two components: the first is a short essay on international experience with job creation, and potential lessons for South Africa; the second is a bibliography. The latter contains relevant information on job creation to make it accessible to interested users.

The short essay is narrow in scope and deals with public works programmes, youth employment schemes and wage subsidies. International experiments dominate the paper. Other avenues of job creation such as SMEs, co-operatives etc are not covered.

The bibliography is cast in three main headings: Developed Countries, Developing Countries and South Africa. The literature relevant to these economies is in turn categorised according to 13 topics such as the Youth Labour Market, Rural Programmes, Education and Training etc. Selection of material for inclusion was confined to documents directly and closely linked to the subject of 'job creation.' It excludes articles and books where our main focus is merely a peripheral consideration. The period covered is mainly from the mid-eighties to early 1996.
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1. INTRODUCTION

There can be no doubt about the severity of the crisis facing the South African labour market. Back of the envelope calculations put the proportion of the workforce without formal sector jobs in 1990 at 41% (CSS, 1992). In addition the steady growth of black trade union membership is testimony, not only to the growth of the insider group, but also its deracialisation. This fact is further manifest in the formal sector's steady discarding of unskilled workers (CSS, 1992). Counterposing the deracialised insider group has been a sporadic increase in the number of outsiders. These (predominantly black) outsiders lack certified training, have few years of formal education and are often divorced from the necessary information flows required to enter the formal labour market. Basic simulation exercises have indicated that even with very optimistic growth rates in the future, it would take longer than 10 years to reduce African unemployment by 10% (Fallon, 1992:29). Given this it is imperative that public policy should target short term options for the outsider group.

These alternative policy options are the focus here. More specifically, the aim is to extract relevant lessons from other industrialized and developing economies' experiences with short term job creation schemes. Three broad approaches will be examined: Public Works Programmes (PWPs), Youth Employment Programmes and Wage Subsidies.

2. PUBLIC WORKS PROGRAMMES

It is useful to differentiate between different types of PWPs. Essentially three basic types of PWPs can be identified: those that are directly productive, those intending to enhance production and finally programmes that aim at improving social services (J. von Braun et al, 1992:24). Directly productive PWPs include irrigation schemes, reforestation and other forest protection schemes. Building roads and railway lines are two examples of activities that facilitate higher levels of production. Improving welfare services incorporates the construction of primary health care clinics and sewerage facilities, electrification and other interventions to extend urban and rural community facilities. Common to all these PWPs is that they provide a safety net for those outsiders caught in a vicious cycle of poverty. By providing short term employment to the unemployed and by promoting skills on the job, PWPs can facilitate outsider entry into the formal economy.

2.1 Remuneration, Self-targeting and Technology

A crucial facet of any PWP is the method of remuneration. Workers could of course be paid either in cash or in kind. The advantage of the former payment is that it can have stronger multiplier effects in the local economy than the latter (Miller, 1992:83). It is partly for this reason that the PWPs in Senegal's urban areas offered cash wages...
only. (Von Braun et al, 1992:29) Payment can be made according to a regular wage per hour, a daily task wage or a piece-work wage. The second option involves remuneration for tasks completed on a daily basis. Piece-work wages refer to payment according to output or productivity. With the existence of a low national minimum wage, the latter two schemes can in fact serve to increase monetary returns to PWP participants. International evidence from Kenya’s Rural Access Road Programme reveals that daily task and piece-work wage systems have been very effective (Miller, 1992:85) These two systems, although promising positive productivity gains, are open to abuse by employers or project managers. Managers may constantly reevaluate what is to be considered a gain in productivity (Miller, 1992: 85) Moreover, these remunerative packages in their initial stages at least, require intensive supervision to minimize dishonesty.

By attracting outsiders into the work environment a PWP attempts to employ the most disadvantaged groups in society. This issue of targeting them is one of the crucial means for evaluating the success of a PWP (Freedman, 1990: 178) At the core of the targeting mechanism lies the level of remuneration. A PWP that offers payment in kind (for example, food) as opposed to cash will clearly reach more disadvantaged beneficiaries. The wage rate however can be altered to reach certain intended cohorts. By setting a relatively low wage, the programme will draw in only the very poor. This process, of self-targeting, raises numerous problems often encountered in the operational phase of a PWP (Freedman, 1990; Hollister, 1988). Experience in the USA and Ireland indicates that a number of the major job creation efforts failed to reach their target group. (Freedman, 1992: 178-179) The obvious explanation is that targeted groups are often very difficult to reach given poor channels of communication and inadequate access to information flows (Freedman, 1992: 179) However, it is also in the interest of project managers to attract better qualified participants to ensure high placement ratios and continued access to finance (Hollister, 1988:24) The nature of a PWP may result in a project being viewed as an initiative for the ‘failures’ of society (Hollister, 1988:25) Communities sense this signal and the labour market reacts negatively to those PWP participants seeking formal employment. Hence the project, in a sense, loses its teeth because of its targeting mechanism.

Herein lies the dilemma of the self-targeting principle: a more effective PWP would probably have altered its targeting towards less disadvantaged groups. However the very raison d’être of a PWP requires targeting the scheme at the most disadvantaged cohorts in society. It seems therefore that a trade-off between the effectiveness of a PWP and its search for the very poor as participants, would need to be engineered.

The use of appropriate technologies is an essential feature of any public works programme. In attempting not only to promote skills, but also generate employment policymakers should ensure the use of labour-intensive methods of production. Many developing countries, South Africa included, enjoy a comparative advantage in the availability of unskilled labour. Nevertheless capital-intensive techniques are

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1 Choosing workers who are grossly underqualified may also transmit false signals to project evaluators. Hence a scheme that in principle is very effective, could be abandoned simply because labourers were too unskilled to take advantage of its opportunities.
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consistently favoured by LDCs in both private and public sectors. One of the requirements for adopting more appropriate production methods is to change the mindset of engineers, programme managers and project evaluators. Many have simply not been exposed to labour-based technologies. (Edmonds and de Veen, 1992:96)

Where experience in this type of production is limited, it is vital that adequate time be taken to set up the relevant systems and procedures. It is crucial that staff be trained, or retrained, in appropriate techniques. Numerous projects have failed elsewhere because the pre-project groundwork had been hastily over-looked. (Edmonds and de Veen, 1992:101)

Sufficient information therefore needs to be harnessed by individuals and institutions alike, before the transition to labour-based methods of production can be assured. The preference for labour-intensive means of production does not, however, preclude the necessity for maintaining the cost effectiveness of this option, and ensuring that quality does not suffer, when compared with more equipment intensive methods. (Gaude and Watzlainck, 1992:5)

2.2 Administrative Structure and Design

The error of utilising highly centralised procedures to implement these programmes has been committed too often in South Africa and other developing countries. Indeed, many a public scheme has floundered due to bureaucratic mismanagement. It is perhaps best that PWPs be operationalised through a more decentralised network.

A decentralized system would trickle down greater decision-making powers to regional and local authorities, allowing for more informed, region-specific policy interventions. A flattened hierarchy of this sort should of course ensure greater community participation. This avoids the possibility of schemes being foisted upon communities without their knowledge and their acceptance. A decentralized administrative structure is open to abuse and an effective system of monitoring and reporting procedures is crucial. (Gaude & Watzlainck, 1992: 10) Monitoring should incorporate thorough evaluations before, during and after a project. Such evaluations are invaluable aids in decisions about future short term job creation schemes. (Hollister, 1988:28)

A less centralized system would encourage reformulating government contracts for smaller firms. Experience in Ghana, the Philippines and Madagascar indicates that small firms are amenable to successful performance with appropriate state contacts. (Edmonds and de Veen, 1992:103)

Paralleling a decentralized network should be a composite system of linkages. There should be efficient co-operation within government departments, between central and local government and between government, trade unions and the private sector. (Jonzon and Wise, 1989:353) Sweden's case is instructive here as the state, trade unions and the private sector worked together to formulate unemployment relief policies. (Jonzon and Wise, 1989:353) The cost of poor linkages is illustrated in Burkina Faso: while the Ministry of Labour and Employment managed to build a health clinic it took three more years to get a pharmacist and drugs from the Ministry of Health. (Von Braun et al, 1992:31)

Public works schemes must run in tandem with an appropriate development strategy and complementary policy instruments. (Von Braun et al, 1992:21 and Burki et al,
PWPs are but one element in an economy's broader development plans and failing to adhere to this can prove very costly. In Morocco and Tunisia, for example, numerous public works projects lost their effectiveness as they often contradicted more far-reaching development programmes (Burki et al., 1976:71). Co-ordination of all development planners at all levels of the hierarchy is thus central to the overall success of PWPs. Such co-ordination would also avoid competition for resources and replication of tasks.

2.3 Finance and Duration
Funding for job creation efforts is derived from three possible sources: foreign funds (either loans or direct aid), some form of taxation on non-target groups and finance extracted from target groups. The latter may involve taxes, self-help contributions or user charges. (Burki et al., 1976:44) Foreign funding has probably been the highest contributor in developing countries. Clearly though, the greater the dependence on target groups for finance, the smaller will be the redistributive impact of the programmes (Burki et al., 1976:44). Evidence from the USA has revealed sharply fluctuating levels of financial support to public schemes. This volatility hinders appropriate planning for existing programmes and indeed new projects. (Hollister, 1988:23) An appropriate incentive structure is required for project managers and other staff. Low wages for staff will yield poor performance and high turnover rates. Any funding strategy needs to ensure that the opportunity cost of the jobs offered in PWPs, remains relatively low. The USA evidence reveals low wages and hence high turnover rates for PWP staff members (Hollister, 1988:23). In keeping with a decentralized administrative structure, greater autonomy should be provided in the funding of programmes. Local and regional government institutions should be given sufficient leverage to allow them to fund those programmes deemed most appropriate and effective. Central government, under this arrangement provides block funding accompanied by a set of broad guidelines.

Closely linked to funding is the issue of evaluation. As mentioned earlier, a comprehensive evaluation system needs to be in place before embarking on a project. In addition though, a cost-benefit analysis of each PWP must be completed before during and after the scheme. Evaluators should be aware of the costs per participant and the costs to society and non-participants, and the benefits to these three groups. (Hollister, 1988:26)

Ideally Public Works Programmes should be short-term in duration. This is to ensure that the scheme does not become a permanent institution in the economy and to prevent an excessive burden on the fiscus. Long term solutions to unemployment require a different organizational and institutional framework that lie outside the domain of a PWP. A short-term PWP should ideally precede an impending recession. If the recession deepens, with no immediate response from the public sector, cyclical unemployment can begin to manifest as structural unemployment.

Ultimately though, the PWP should provide outsiders with employment in the short run and a certain degree of on-the-job training. This kind of job experience would improve their chances of acquiring employment in the formal economy. The ultimate goal of a short-term PWP should be to serve as a conduit to direct outsiders to longer term job opportunities.
3. MARGINALISED OUTSIDERS

Marginalised outsiders refer to those unemployed people who are not only divorced from the formal sector, but who also remain on the periphery of the outsider group. Obvious examples of such cohorts include women and the youth. It is on the latter that this section concentrates.

3.1 The Youth Job Problem

In South Africa and other LDC economies, the youth are disproportionately represented in unemployment statistics. A negative correlation exists between an individual's age and the likelihood of being unemployed.

Youth joblessness stems partly from this cohort's relative disadvantage in the process of job search. (Rees, 1986:618) Youth, for example, lack knowledge about the procedures and etiquette involved in applying for a job. More importantly, disadvantaged youth are not yet part of the main information networks in the formal labour market. For example, they are not linked to employed individuals in the community via whom information about jobs is often obtained. (Rees, 1986:618) Those youth who do find work are usually the first to be discarded when the economic situation deteriorates. Under conditions of a shrinking labour market this is due to their lack of experience compared with that of adult workers. Another possible reason for this high attrition rate is poor work discipline among the youth. (Rees, 1986:617)

In summary we can define the contours of the youth job problem in the following manner (Figure 1): When employed, youth are likely to receive relatively lower remuneration than older workers and are more likely to be dismissed. When unemployed, youth face a lower probability of finding a job and hence also a longer period of joblessness relative to adult workers. (Hollister, 1988:7-8)

Figure 1

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<td>* Inexperience and education level</td>
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<td>* Poor access to information channels</td>
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<td>* Imprudent job search strategies</td>
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<td>* Poor work ethic</td>
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<td>* High expectations concerning remuneration</td>
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2 This may include ignorance about how to complete a job application, inappropriate attire for an interview, tardiness etc. (Rees, 1986:618)
3.2 Alleviating Youth Unemployment

Policy makers need to be aware of the heterogeneity of the youth. The diverse nature and character of this group should be reflected in a collection of strategies and schemes. One possibility is to adopt a three pronged attack on this marginalised group. (Hartshone, 1992:58-60) The younger members of the cohort can return to school and be provided with basic primary or remedial or vocational education. Those who have dropped out of secondary schooling may need to be drawn into various schemes. PWPs or hiring subsidy schemes could be targeted at this particular youth grouping. Finally, there are those youth who have completed high school, without university exemption. They could enter work experience schemes with a particular emphasis on improving their success rate when searching for work.

While the net benefit to primary schooling has been shown to be high in the developing world, the issue of vocationalising education is perhaps more relevant here. In Great Britain the Technical and Vocational Educational Initiative (TVEI) encompassed 2 to 3% of British pupils. Similar programmes in France, Germany and Japan embrace approximately 30% of pupils (Hart, 1988:91) involved in the vocational education scheme. The idea of providing more technical, job-related skills earlier to the youth is appealing. Evidence from Somalia indicates, however, that the vocational education system did not serve to reduce youth unemployment. Instead it simply engendered two types of school-leavers. (Livingstone, 1989:400) It would appear that altering the contents of school curricula to be consonant with perceived formal sector skill requirements, may not necessarily be an effective strategy. Hence feasibility studies regarding the nature of labour demand would need to be extensively undertaken before embarking on a vocational education system. Should the scheme be acceptable, it is vital that (as with PWPs) continual evaluation systems are in place and set in motion, to assure effective monitoring of the intended scheme.

Plugging certain youth into PWPs or hiring subsidies is dealt with elsewhere. Suffice it to say that youth often have unrealistically high reservation wages. (Hollister, 1988:11) This, together with poor work discipline, may contribute to an aversion for public works schemes. These schemes of course offer relatively low wages for physically demanding, manual work. Quota schemes which reserve a specific number of places on these projects for youth, may prove fruitless with very few of this cohort likely to be forthcoming. Short term job creation schemes of this type may thus not be suitable for mopping up marginalised high school drop-outs.

Numerous schemes have been set up internationally, in order to engage unemployed youth who have completed high school, in upgrading their skills. In Africa, for example, the Development Works Co-operation (DWC) in Mauritius trained 3879 workers in a fifteen year period. (Livingstone, 1989:391) The Revolutionary Youth Association (REYA) in Ethiopia, formed in 1980, had an estimated 3.8 million
members by 1983 (Livingstone, 1989:391) Similar projects were tried in Zambia, Kenya and Botswana. All programmes targeted disadvantaged youth in a bid to provide them with rudimentary skills. The training period would then be followed by a placement service, to match acquired skills to appropriate jobs. All these training programmes have varying standards, facilities and periods of training. Equipment and funding per student also differs.

Studies of these African training programmes reveal that placement rates are generally poor. There is a difficulty in finding suitable employment for youth after the training period. In Somalia for example, a survey of manufacturing firms found employers to be impartial in their choice between untrained school-leavers and the products of the state's training projects (Livingstone, 1989:399) The lesson from Africa then is similar to that of vocational education: the private sector's skill requirements need to be scrutinised and assessed before launching a national youth training initiative.

In industrialized economies youth training schemes have been tried in Europe and the United States. In Ireland, the Work Experience Programme (WEP) attempted to provide youth with different private sector employers, under a wage subsidy scheme. Participants were monitored closely by a placement officer and received a certificate at the end of the programme. The WEP reported very high placement rates, suggesting that the scheme had achieved its aims. However, closer interrogation of the participants indicates that at least 66% had school leaving certificates or were graduates (Breen, 1988:436) The placement rate, not surprisingly, was close to 66%.

The problem, alluded to earlier, between self-targeting and the effectiveness of a job creation scheme clearly arose here. For while the WEP may have been effective (in terms of placement rates) it failed to target the most disadvantaged youth. Hence in attracting 'lower quality' youth, the WEP's self-targeting mechanism would have been more efficient. In contrast however, its placement rates would have undoubtedly fallen (Breen, 1988,438) The contrat emploiformation (CEF) in France also intended to attract unemployed school leavers via a certified training scheme (Freedman, 1990:173) However, as with the WEP, the youth on the programme tended to be relatively well educated. Hence, these participants often stood a good chance of finding employment without the CEF (Caspar, 1988:453) Once again, a dissonance existed between high placement rates and an effective self-targeting procedure.

The upshot of the above is that training programmes for the youth need to be complementary to the labour market's skill demands. Secondly, high placement rates should not be seen as unequivocal proof of a programme's effect. Instead a finer balance needs to be maintained between appropriate targeting and satisfactory placement rates.

4. EMPLOYMENT SUBSIDIES

3 Kenya's village polytechnic programme established in 1963, trained youth in carpentry, masonry, tailoring, dressmaking etc. (Livingstone, 1989:390)
Employment subsidies involve the payment of a subsidy to employers on the wage rate of workers. They are offered by governments to entice firms to hire workers they ordinarily would not. Wage subsidies have had a dubious history in South Africa having been associated with the minority government's decentralization initiatives. However, they remain in favour in some developed countries (Breen, 1988; Jonzon and Wise, 1989).

4.1 Forms of Employment Subsidies
Essentially, three types of wage subsidies exist: A recruitment subsidy, a general stock subsidy and the marginal stock subsidy (Philip and Whitehouse, 1984:280). The first scheme involves payment to firms for all new employees hired, regardless of whether they replace the existing workforce or not. A general stock subsidy covers partial wage costs in terms of the total numbers of workers hired (Philip and Whitehouse, 1984:280). The last programme is slightly different in that it assures financing only on those additional workers hired - hence the term 'marginal'. Any new workers who replace members of the existing workforce will not be funded (Breen and Halpin, 1989:5). This marginal stock subsidy has been the favoured option in most industrialized countries. The schemes initiated in Ireland, Great Britain and France have been short term in nature. Ireland's Employment Incentive Scheme (EIS) for example lasted approximately 24 weeks (Breen and Halpin, 1989:5). A targeted marginal stock subsidy has a bifurcated strategy. Its macroeconomic goals include the stimulation of employment and the enhancement of productivity. In addition, there is an attempt to redirect hiring strategies towards outsiders (Breen and Halpin, 1989:6). The subsidy of course acts as the incentive encouraging employers to reassess their hiring policies.

4.2 Criticism of Employment Subsidies
Criticism of wage subsidy programmes centre on three issues namely, deadweight, displacement and impermanence (Philip and Whitehouse, 1984:285).

The level of deadweight is a serious drawback in wage subsidy schemes. The reference here is to the number of subsidised workers who would have been employed even in the absence of the subsidy (Layard, 1979:193). Firms therefore receive cash handouts to pay workers they ordinarily would have hired anyway. For this reason the level of deadweight is referred to as the 'windfall element' of the subsidy (Breen and Halpin, 1989:14-15). The higher the presence of deadweight, the lower the net job creation effect of a wage subsidy. Studies of the EIS in Ireland indicate very high levels of deadweight, where just under 70% of the hirings via the EIS would have occurred in its absence (Breen and Halpin, 1989:73). Any employment subsidy programme should take note of this problem. Difficulties remain, however, in identifying the characteristics of firms which promote higher deadweight.

Displacement effects impact deleteriously on those firms not receiving a subsidy from the state. Hence, these unsubsidised firms may lose their market share or even face a shrinking labour force. If a subsidised job replaces an unsubsidized job elsewhere in the economy, then clearly there is no net job creation effect (Breen and Halpin, 1989:16). Data from wage subsidies in Germany, France and Britain suggest that these schemes may lead to the substitution of older workers for youth (Philips and
Whitehouse, 1984:295) Although the displacement of workers as a result of state subsidies is a real dilemma, indications are that it is not as debilitating as deadweight.

The short-term nature of these programmes remains a contentious issue. It has been argued (Philip and Waterhouse, 1984) that the duration of the scheme should depend rather on workers' productivity being consonant with the wage rate. Thereafter the subsidy should be withdrawn gradually for both employees and employers to take more informed decisions. Short programmes also ensure minimal on-the-job training and are not really effective in augmenting workers' skills. Firms may also be reluctant to keep workers on past the duration of the project. Given a very brief interaction at the workplace which denies any adequate assessment of subsidised workers, this is not surprising.

Another problem with these schemes is that firms have an incentive to cheat. Employers could exaggerate the number of workers hired to glean a greater subsidy from the state. (Layard, 1979:191) Hence the subsidy becomes, for the firm, an additional source of income. (Philip and Waterhouse, 1984:281) Employers may also underpay subsidised workers to extract an even bigger rent for themselves. If one remembers that outsiders have minimal bargaining power this is a real possibility. Attempts by the state to monitor dishonest firms can prove to be cumbersome and administratively costly. (Fallon, 1992:31) In addition it is not clear that an ideal monitoring and administrative system can be devised. (Layard, 1979:190)

4.3 Arguments for Employment Subsidies

The most compelling argument for wage subsidies is that they decrease the cost of workers to employers and stimulate the demand for labour. Subsidies of this sort are also deemed more effective than other employment generating measures, in that the policy is targeted directly at labourers. Kaldor (1936) argued that wage subsidies avoid real wage cuts, which may be met with union resistance.

Some have argued that the fiscal balance could be improved given that the costs of subsidies are outweighed by the savings incurred as a result (Breen and Halpin, 1989:13) The lower unit labour costs may translate into reduced output prices and hence subsidies may in fact be able, in the short run, to dampen rising prices. (Philip and Waterhouse, 1984:284) A final positive aspect is that employment subsidies allow disadvantaged groups to be targeted. Marginalised and other outsiders will receive welfare benefits under this programme in that they are specifically identified as the grouping the scheme wishes to assist. (Breen and Halpin, 1989:13; Philip and Whitehouse, 1984:285) Hence they are hired under the auspices of the state's job creation policy, where, ordinarily, employment in the formal labour market would have been very difficult.

While the disadvantages of the wage subsidy programme are disconcerting, the advantages are indeed compelling. Ultimately though it is not clear whether there will be a net benefit to outsiders from the scheme. Practitioners in the job creation arena would need to consider the scheme on a case-by-case basis to ensure its optimal functioning.
5. CONCLUSION

International experiences with short term job creation initiatives have yielded chequered results. As South Africa moves towards a new dispensation, the demands of an expectant electorate will surface. It is vital therefore that we learn from experiences elsewhere in this field. Policymakers need to be aware not only of what has been attempted, but also of the failures and successes. Indeed, the greatest error the state could commit is to rush headlong into job creation programmes that have collapsed hopelessly in other parts of the world. In this vein Hollister's statement is most appropriate:

"The major indictment of most governments is...not that they have not sought to respond by increasing resources devoted to... (un)employment problems, but rather that they have not put themselves in a position to learn systematically about which types of...programmes are most effective in which situations and for which subgroups of the (unemployed) population, After 20 years of experience we know relatively little about what works for whom among(st) the (unemployed)."

(Hollister, 1988:48)
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YOUTH LABOUR MARKET


To anybody interested in what is happening in Southern Africa at the present time, it is clear that an understanding of changes taking place in the field of labour is crucial. The whole debate about the political implications of economic growth, for example, revolves very largely around different assessments of the role of black workers in the mines and factories of the Republic. Many of the questions with which people involved in Southern Africa are now concerned relate, in one way or another, to the field generally set aside for labour economists to cultivate. The impact of trade unions; the causes of unemployment; the economic consequences of different educational policies; the determination of wage structures; the economics of discrimination; all these and more are matters with which labour economists have been wrestling over the years in various parts of the world.

At the same time there are many who would argue that these issues are far wider than can be contained within the narrow context of ‘labour economics’. These issues, it is pointed out, go to the heart of the whole nature of development. In recent studies, commissioned by the International Labour Office, of development problems in Columbia, Sri Lanka, and Kenya, for example, leading scholars have identified the three crucial issues facing these countries as being poverty, unemployment, and the distribution of income. Thus the distinction between labour and development studies is becoming more blurred as economists come face to face with problems of real life in the Third World.

It is here too that an increasing number of people are coming to see that study of the political economy of South Africa must not be done on the assumption that the problems there are absolutely different from those facing other parts of the world. Indeed it can be argued that far from being an isolated, special case, South Africa is a model of the whole world containing within it all the divisions and tensions (black/white; rich/poor; migrant/nonmigrant; capitalist west/third-world; etc.) that may be seen in global perspective. Be that as it may, the fact remains that the economy of Southern Africa (for the political and economic boundaries are singularly out of line with each other) is one of the most fascinating in the world. It is one on which far more research work needs to be done, and about which further understanding of the forces at work is urgently required. It is in order to attempt to contribute to such an understanding that Saldu is issuing these working papers.

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