

THE IMPACT OF GLOBAL TRANSFORMATION ON DECENT WORK IN SOUTH AFRICA

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SUMMARY

This article provides a comprehensive analysis of the impact of global transformation on the concept of decent work in South Africa. By examining the country's unique historical, social and economic circumstances, the article explores the challenges and opportunities that arise from global dynamics. It investigates various dimensions of decent work affected by global transformation, including employment patterns, wages, working conditions, skills requirements, job security and social protection. The article highlights the need for adaptive strategies to address evolving labour-market dynamics, and emphasises the crucial role of government and stakeholders in promoting decent work. Through collaborative efforts, social dialogue and inclusive policy frameworks, South Africa can effectively navigate global transformation and work towards a labour market that ensures equitable, dignified and fulfilling employment opportunities for all its workers. This research contributes to the academic discourse on the intersection of global transformation, labour markets and decent work, and offers insights and recommendations for policy makers, scholars and practitioners in South Africa and beyond.

1 INTRODUCTION

In today's interconnected world, countries around the globe are continually influenced by global changes that shape their economic, social and political landscapes.¹ A crucial aspect affected by these changes is the concept of "decent work", which encompasses productive and fulfilling employment opportunities that provide fair wages, security and rights for workers. South Africa, as a nation undergoing its own economic and social evolution, is not immune to the effects of global transformation on its labour market.

This article delves into the profound impact of global transformation on decent work in South Africa by analysing the challenges and opportunities

¹ Carnegie Europe "From the Local to the Global: The Politics of Globalisation" (undated) <https://carnegieeurope.eu/2022/02/17/from-local-to-global-politics-of-globalization-pub-86310> (accessed 2023-07-25).

that arise from this complex interplay. By examining the connections between global factors and local dynamics, light is shed on the multifaceted implications for workers and policy makers in South Africa.

South Africa's history of apartheid,² followed by a period of political transition and economic restructuring, has contributed to a unique set of circumstances that shape the country's labour market. The nation's workforce faces both long-standing and emerging challenges, ranging from persistent inequality and high unemployment to evolving patterns of global trade, technological advances and shifting labour-market demands.

Within this context, the article explores how global transformation influences the dimensions of decent work in South Africa. It examines the impact of international trade agreements, foreign direct investment and globalisation on employment patterns, wages and working conditions. The article also investigates how technological advances, automation and the rise of the gig economy affect job opportunities, skills requirements and job security in the country.

Furthermore, the article considers the efforts made by the South African government, civil-society organisations and social partners to address the challenges posed by global transformation and the need to promote decent work. It explores policy initiatives, social-dialogue mechanisms and labour-market interventions aimed at creating inclusive growth, reducing inequality and enhancing workers' rights and protection.

By examining these complex dynamics, the article seeks to provide a comprehensive understanding of the impact of global transformation on decent work in South Africa. It emphasises the need for adaptive policies, proactive strategies and inclusive approaches to ensure that the benefits of globalisation and technological advances are shared equitably, and that decent work becomes a reality for all South African workers.

As South Africa navigates the challenges and opportunities presented by global transformation, understanding their impact on decent work is essential for creating a sustainable and inclusive economy. By examining the interplay between global and local factors, policy makers, stakeholders and researchers can work together to develop strategies that promote decent work, improve labour-market conditions and advance the well-being of workers across the country.

2 DEFINING DECENT WORK

The International Labour Organization (ILO) defines decent work as follows:

“Decent work, the core mandate of the ILO, is defined as productive work for women and men in conditions of freedom, equity, security and human dignity. Decent work involves work opportunities that are productive and delivers a fair income, provide security in the workplace and social protection for workers and their families, offer prospects for personal development and encourage interaction, give people the freedom to express their concerns, and organise

² South Africa's apartheid policy was a system of institutionalised racial segregation and discrimination enforced by the government from 1948 until the early 1990s.

and participates in decisions affecting their lives and guarantees equal opportunities and equal treatment for all.”³

Decent work consists of four inseparable, interrelated and mutually supportive strategic objectives: employment; fundamental principles and rights at work; social protection (social security and occupational safety and health); and social dialogue. Gender equality and non-discrimination are cross-cutting principles of decent work.

Global transformation refers to the dynamic changes occurring on a global scale that significantly influence economies, societies and political landscapes around the world. This transformation is driven by a variety of interconnected factors and processes, including globalisation, technological advances, demographic shifts and changes in geopolitical dynamics.

Decent work means that all individuals have access to productive, fulfilling, and socially acceptable employment opportunities. It encompasses several dimensions that contribute to a dignified and satisfactory work experience, including fair wages, job security, social protection and the opportunity for personal and professional development. Elaborating on the dimensions of decent work provides a deeper understanding.

- Decent work emphasises the creation of sufficient employment opportunities that enable individuals to engage in productive and meaningful work. It entails promoting job creation and reducing unemployment rates to ensure that individuals have access to decent employment options.⁴
- Furthermore, decent work entails fair remuneration, where workers receive wages that are sufficient to meet their basic needs and provide a decent standard of living for themselves and their families.⁵ It involves addressing issues of wage inequality, promoting minimum-wage policies, and ensuring that workers receive just compensation for their labour.⁶
- In addition, decent work recognises the importance of job security where workers have confidence in the continuity of their employment.⁷ It involves protecting workers against arbitrary dismissal, providing avenues by which to redress grievances, and promoting stable employment relationships that foster long-term engagement and commitment.⁸
- Decent work also emphasises the provision of social-protection measures to support workers in times of economic uncertainty or vulnerability. This includes access to health care, social-security

³ See ILO *Report of the Director General : Decent Work* 87th International Labour Conference (1999) <https://www.ilo.org/public/english/standards/relm/ilc/ilc87/rep-i.htm> (accessed 2021-04-23).

⁴ *Ibid.*

⁵ Mokofe “The International Labour Organisation in Pursuit of Decent Work in South Africa: An Appraisal” 2020 41(3) *Obiter* 573–592.

⁶ *Ibid.*

⁷ Mokofe “Achieving Decent Work for Digital Platform Workers in South Africa” 2022 43(2) *Obiter* 349–365.

⁸ *Ibid.*

benefits, unemployment insurance and other forms of support that mitigate the risks associated with employment and promote social inclusion.⁹

- It further underscores the need for safe and healthy working conditions in which workers are protected from hazards and risks in their workplace. This involves implementing occupational health-and-safety regulations, promoting workplace-wellness programmes, and providing adequate training and protective equipment to mitigate work-related accidents and illnesses.¹⁰
- Decent work recognises the importance of achieving a balance between work and personal life. It involves promoting policies and practices that enable individuals effectively to manage their work responsibilities alongside family and personal commitments and so foster well-being and quality of life.¹¹
- It includes the protection of workers' rights and the promotion of fair labour practices, and includes ensuring freedom of association and collective bargaining, preventing discrimination in the workplace, and guaranteeing equal opportunities and treatment for all workers.¹²
- Finally, decent work entails providing opportunities for skills development, training and lifelong learning to improve workers' employability and facilitate career advancement.¹³ It recognises the importance of investing in human capital to ensure that workers can adapt to changing labour-market demands and access better job opportunities.

Overall, the concept of decent work strives to create a work environment that upholds the rights and well-being of workers, promotes inclusive growth, and contributes to sustainable development. It requires a comprehensive approach that involves collaboration between governments, employers, workers' organisations and other stakeholders to address the diverse dimensions of work, and build fair and equitable labour markets.

3 GLOBALISATION

The term "globalisation" is not easy to define, given that it has in most instances been contextualised. For this article, the following definition is helpful:

"[The] increase in cross-border economic interdependency resulting from a greater mobility of factors of production and goods and services has established linkages over a broader geography of location. This trend is reflective of increasing economic liberalisation and falling tariff barriers, modern communications, free flow of capital and modern technologies,

⁹ *Ibid.*

¹⁰ Occupational Health and Safety Act 85 of 1993 (OHSA).

¹¹ See ILO <https://www.ilo.org/public/english/standards/relm/ilc/ilc87/rep-i.htm>.

¹² *Ibid.*

¹³ *Ibid.*

integrated financial markets and corporate strategies of multinational companies that operate on the premises of [a] homogenous world market.”¹⁴

Generally, globalisation refers to the increasing interconnectedness and interdependence of countries and their economies. It involves the flow of goods, services, capital, information and people across national borders. Globalisation has led to the integration of economies into a global market that enables the expansion of international trade, the growth of multinational corporations, and the establishment of global supply chains. It has also facilitated the transfer of technologies, ideas and cultural influences across nations. During the past decades much has been written on globalisation.¹⁵ Globalisation has created some challenges for the ILO with greater attention being paid to competition between states – as opposed to workers’ rights – which seldom supports the ILO’s key objective of seeking social justice.

Globalisation has transformed the patterns of engagement in labour markets, not only in South Africa but throughout the world. Studies in Australia, Europe and North America published in the last ten years of the twentieth century showed shifts in the hiring of workers.¹⁶ In a study of employment trends in the “new economy” in the United States, Smith contends:

“[U]ncertainty and unpredictability, and to varying degrees personal risk, have diffused into a broad range of post-industrial workplaces, services and production alike; opportunity and advancement are intertwined with temporariness and risk.”¹⁷

At about the same time, Osterman noted that in the United States:

“[T]he ties that bind the workforce to the firm have frayed. ... New work arrangements, captured by the phrase ‘contingent work’ imply a much looser link between firm and employee.”¹⁸

Cappelli has argued: “[T]he old employment system of secure, lifetime jobs with predictable advancement and stable pay are dead.”¹⁹ The view that employment relationships are becoming less secure is strengthened by Hacker, who contends that the unpredictability of the labour market is increasingly borne by workers, as employers back off from long-term employment standards.²⁰ In an in-depth study of economic reorganisation and changing corporate forms, Weil contends that the growth of supply chains and the popularity of franchising have culminated in “fissured”

¹⁴ Harbrige “Globalisation and Labour Market Deregulation in Australia and New Zealand: Different Approaches, Similar Outcome” 2002 24 *Employee Relations Journal* 424.

¹⁵ See *Webster’s Third New International Dictionary of the English Language* (1961) 965.

¹⁶ Cappelli *The New Deal at Work: Managing the Market-Driven Workforce* (1999) 17.

¹⁷ Smith *Crossing the Great Divide: Worker Risk and Opportunity in the New Economy* (2001) 7.

¹⁸ Osterman *Securing Prosperity: The American Labour Market: How It Has Changed and What to Do about It* (2000) 3–4.

¹⁹ Cappelli *The New Deal at Work* 17.

²⁰ Hacker *The Great Risk Shift: The Assault on American Jobs, Families, Health Care and Retirement and How You Can Fight Back* (2006).

workplaces.²¹ This has led to a reduction in the pervasiveness of direct employment relationships, a growth in more non-standard categories of work, and an erosion of labour's capacity to bargain for better employment conditions. Standing contends that a new category of worker – the “Precariat” – has emerged.²² These are workers in less secure employment who enjoy few employment benefits and minimal social protection. This has a direct impact on the pursuit of decent work in South Africa.

There is evidence of significant change in the South African labour market in the last 20 years of the twentieth century, including a meteoric rise in non-standard work relationships.²³ The South African government investigated the need to amend the Labour Relations Act (LRA)²⁴ in light of these developments and adopted the Labour Relations Amendment Act (LRAA)²⁵ in 2014. At the heart of the LRAA is the understanding that work today is less secure. The amendments follow the understanding that the labour laws and regulations adopted in the decades following World War II, when standard work relationships were more widespread, no longer serve the needs of workers.²⁶

The orthodox employment paradigm based on a model of full-time employment with one employer has not escaped globalisation. Today, we see an increase in non-standard employment resulting from informalisation, casualisation and externalisation of work.²⁷

4 TECHNOLOGICAL ADVANCES

The “Fourth Industrial Revolution”, characterised by the integration of digital, physical and biological worlds, along with the increasing use of advanced technologies such as artificial intelligence, robotics, 3-D printing and wireless technologies, has wrought significant changes in the global economy. These developments have led to the emergence of new forms of irregular or non-standard work.

Non-standard employment refers to work arrangements that deviate from the traditional standard employment relationship, which typically involves full-time work with job security until retirement or notice of termination. Instead, non-standard work includes various forms of work – temporary, part-time, casual, freelance and in the gig economy. While technological advances may create new job opportunities, they have also contributed to the growth of non-standard employment. This can have both positive and negative effects on decent work. On the positive side, technology-driven industries can generate new jobs and economic growth, potentially

²¹ Weil *The Fissured Workplace: Why Work Became So Bad for so Many and What Can Be Done to Improve It?* (2014).

²² Standing *The Precariat: The New Dangerous Class* (2003).

²³ Department of Labour, Green Paper on Labour, *Minimum Standards Directorate Policy Proposals for a New Employment Standard Statute*.

²⁴ 66 of 1995.

²⁵ 6 of 2014.

²⁶ Mitchell and Murray *Changing Workplaces Review: Special Advisors' Interim Report* (Ministry of Labour, Canada 2016).

²⁷ Cheadle “Regulated Flexibility: Revisiting the LRA and the BCEA” 2006 27 *ILJ* 663 699.

increasing the availability of work opportunities in South Africa. These industries often require specialised skills, which may result in workers benefitting from upskilling and reskilling programmes to meet the demand for these roles.

However, the proliferation of non-standard work in the context of the fourth industrial revolution has both positive and negative consequences. On the one hand, it offers opportunities for flexibility and increased access to various job opportunities. On the other hand, it brings negative effects, a major concern being the difficulty in identifying the parties involved in the employment relationship.

With complex networks and online platforms facilitating work arrangements, establishing clear employer-employee relationships is challenging. This poses significant obstacles for workers to access essential labour rights and social-security protection. As a consequence, the quality of work deteriorates leading to situations where work is not considered decent or fair.

In addition, non-standard employment often lacks the same level of job security, benefits and protection as traditional, full-time jobs. Workers engaged in gig-economy jobs or short-term contracts may face uncertain income, limited access to benefits such as health care and retirement plans, and reduced job stability.

In the context of South Africa, where socio-economic imbalances have long been an issue, the growth of non-standard employment could exacerbate inequalities and hinder progress toward decent work. Policy makers and stakeholders need to address these challenges and ensure that workers in non-standard employment are protected and have access to essential labour rights, social security and fair working conditions.

To promote decent work in the era of the fourth industrial revolution, South Africa must strike a balance between embracing technological advances and ensuring that the workforce benefits from these changes. This may involve implementing policies that protect the rights of workers in non-standard employment, investing in education-and-training programmes to equip the workforce with relevant skills, and fostering a supportive environment for innovation and job creation.

Overall, the impact of the fourth industrial revolution on decent work in South Africa will depend on how effectively the country can address the challenges posed by non-standard employment, while harnessing technological advancements to promote inclusive and sustainable economic growth.

5 DEMOGRAPHIC SHIFTS AND THEIR IMPACT ON DECENT WORK IN SOUTH AFRICA

Changes in global demographics, including population growth, urbanisation and migration patterns, have significant implications for economies and

labour markets.²⁸ Urbanisation has concentrated economic activities in cities, and led to the emergence of new industries and service sectors. The expansion of the global population, particularly in emerging economies, has posed challenges to providing decent work opportunities for all.²⁹ Ensuring that people have access to jobs that offer fair wages, social protection and safe working conditions has become a priority for policy makers and organisations. Furthermore, migration, both internal and international, has contributed to the diversification of workforces and the transfer of skills and knowledge across borders.

Some migrants, in particular those with irregular or undocumented status, may be vulnerable to exploitation³⁰ by unscrupulous employers who take advantage of their legal status and lack of knowledge of local labour laws. In cases where migrants are willing to accept lower wages or subpar working conditions,³¹ they may create downward pressure on wages and labour standards for local workers in similar jobs.

In addition, high levels of migration can lead to social tensions between local workers and migrants, especially if there is a perception that migrants are taking job opportunities away from locals or impacting local cultures.³²

In some cases, migration can result in a “brain drain” where highly skilled individuals from developing countries emigrate to seek better opportunities abroad, leading to a loss of talent and human capital in their home countries.³³

To ensure that migration has a positive impact on decent work, governments and organisations need to implement policies that protect the rights of migrant workers, promote fair labour practices, and ensure their access to social protection. It is also crucial to address the root causes of migration, such as economic disparities and lack of opportunities in migrants' home countries, to reduce forced migration, and to ensure that migration is a voluntary choice based on opportunities rather than necessity. By fostering inclusive and well-managed migration, countries can harness the potential of migrant workers to contribute positively to their economies and labour markets, while safeguarding migrants' rights and welfare.

²⁸ World Bank “Democratic Trends and Urbanisation” (undated) <https://www.worldbank.org/en/topic/urbandevelopment/publication/demographic-trends-and-urbanization> (accessed 2023-07-22).

²⁹ ILO “World Employment Outlook” (2023) https://www.ilo.org/wcmsp5/groups/public/dgreports/inst/documents/publication/wcms_865387.pdf (accessed 2023-07-25).

³⁰ ILO “Protecting the Rights of Migrant Workers in Irregular Situations and Addressing Irregular Labour Migration: A Compendium” (2018) https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---migrant/documents/publication/wcms_832915.pdf (accessed 2023-07-25).

³¹ Crepeau “Workplace Exploitation of Migrants” (undated) <https://www.ohchr.org/sites/default/files/Documents/HRBodies/CMW/Discussions/2014/FrancoisCrepeau.pdf> (accessed 2023-07-25).

³² Dewa “Migrants Scapegoated in South Africa as Inequality and Unemployment Surge” (2022) <https://www.opendemocracy.net/en/5050/migrants-scapegoated-in-south-africa-as-inequality-and-unemployment-surge/> (accessed 2023-07-25).

³³ Berger “Brain Drain, Brain Gain and Its Net Effect” (2022) https://www.knomad.org/sites/default/files/2022-11/knomad_paper_46_brain_drain_brain_gain_and_its_net_effect_sandra_berger_november_2022.pdf (accessed 2023-07-25).

6 GEOPOLITICAL DYNAMICS

The geopolitical dimension can impact significantly on decent work in several ways, both direct and indirect. Geopolitical shifts can lead to changes in trade policies, including the imposition of tariffs and trade barriers. These protectionist measures can disrupt global supply chains, affect international trade flows, and result in job losses in industries that rely heavily on exports or imports.

- Geopolitical tensions and conflicts tend to create uncertainty in financial markets, leading to fluctuations in investment flows. Reduced investments can limit economic growth and lead to job losses or slower job creation.
- Geopolitical events also influence migration policies and affect the movement of workers across borders. Restrictions on labour mobility can limit access to international job opportunities for workers seeking better employment prospects abroad.
- Geopolitical alliances and agreements can promote regional economic integration and cooperation, which may create new employment opportunities in integrated markets.

However, geopolitical initiatives can also face challenges and tensions that may impact labour markets.

- Geopolitical conflicts, wars and territorial disputes can lead to large-scale displacement of populations, creating humanitarian crises and disrupting labour markets in affected regions. Displaced workers often face difficulties in accessing decent work opportunities and may be subject to exploitation in informal or precarious employment.
- Geopolitical dynamics can also affect the availability and cost of natural resources, including energy resources. Fluctuating energy prices can impact industries and negatively influence job creation or lead to job losses in sectors sensitive to energy costs.
- Geopolitical conflicts and disagreements can result in the imposition of economic sanctions on certain countries. These sanctions can have significant economic consequences, affecting businesses, industries, and employment opportunities within and beyond the targeted countries.
- Geopolitical tensions can influence technology transfer and the flow of knowledge and innovation across borders. Restrictions on access to technology may limit economic development and the creation of decent work opportunities in certain regions.
- Geopolitical events can influence consumer attitudes and preferences and affect demand for products and services. Changes in consumer behaviour can lead to shifts in employment patterns across industries.

Overall, the effects of geopolitics on decent work are complex and multifaceted. Geopolitical stability and cooperation can create an environment conducive to economic growth and job creation, while geopolitical conflicts and tensions can lead to uncertainties and disruptions in labour markets. Policy makers, businesses and international organisations need carefully to consider the potential impacts of geopolitical events on

decent work, and implement measures to promote fair and inclusive employment practices amid changing global dynamics.

7 SOUTH AFRICA'S CONTEXT OF DECENT WORK

South Africa's context of decent work reflects a unique historical, social and economic landscape that shapes the country's labour market, and influences the dynamics of decent work.³⁴ South Africa's history of apartheid, a system of institutionalised racial segregation and discrimination, has had a profound impact on the country's social and economic structure.³⁵ The legacy of apartheid includes deep-rooted inequalities, disparities in access to education and opportunities, and a history of marginalised groups in the labour market. Overcoming these historical challenges is ongoing in efforts to realise decent work for all.

In addition, South Africa underwent a significant political transition in the 1990s when apartheid ended and a democratic government was established. This transition brought about changes in governance, legal frameworks and policy priorities. It created opportunities for social and economic reforms, as well as the promotion of inclusive growth and the protection of workers' rights. Following the political transition, South Africa embarked on a process of economic restructuring, transitioning from a largely segregated and resource-dependent economy to a more diversified and globally integrated one. This restructuring process aimed to address historical inequalities, stimulate economic growth and attract foreign investment. However, it came with new challenges, including job displacement, skills gaps and unequal distribution of economic benefits. In addition, South Africa is characterised by high levels of inequality³⁶ and poverty.³⁷ Despite efforts to address these issues, disparities persist, affecting access to decent work for many individuals. Economic inequality, coupled with historical inequalities based on race, gender and geography, contribute to limited employment opportunities, wage disparities and precarious working conditions.

South Africa faces significant unemployment challenges with high rates of unemployment, particularly among the youth.³⁸ An increase of 1,1 per cent in the youth unemployment rate to 46,5 per cent in the first quarter of 2023³⁹ means that, unless there is a drastic change, 4.9 million young people have little-to-no hope of a future in South Africa. The informal sector plays a substantial role in the economy, absorbing a significant portion of the labour

³⁴ Mokofe 2020 *Obiter* 573–592.

³⁵ Britannica "History and Society Apartheid Social Policy" (2023) <https://www.britannica.com/topic/apartheid> (accessed 2023-07-22).

³⁶ World Bank "The World's Bank Strategy in South Africa Reflects the Government's Development Priorities and Its Unique Leadership Position at Sub-Regional and Continental Levels" (2023) <https://www.worldbank.org/en/country/southafrica/overview> (accessed 2023-07-22).

³⁷ Statista "National Poverty Line in South Africa 2023" <https://www.statista.com/statistics/1127838/national-poverty-line-in-south-africa/> (accessed 2023-07-25).

³⁸ Stats SA *The Quarterly Labour Force Survey* (QLFS) Q1:2023.

³⁹ *Ibid.*

force.⁴⁰ However, informal employment often lacks job security, social protection and adequate wages, which poses challenges to achieving decent work for those engaged in the sector.⁴¹

Another challenge is that South Africa faces a mismatch between the skills demanded by the labour market and those on offer by the workforce. This gap contributes to unemployment and underemployment and restricts access to decent work.⁴² Addressing this skills mismatch through education and training initiatives is essential for promoting inclusive economic growth and improving the prospects of decent work. The country does, however, have a strong tradition of social dialogue and collective bargaining that plays a vital role in shaping labour-market policies and in promoting workers' rights. Social dialogue refers to the process of negotiation and consultation between government, employers and trade unions to address labour-related issues such as wages, working hours, job security and workplace safety. It involves open discussion and interaction among these stakeholders to find mutually acceptable solutions that benefit all parties involved. Tripartite engagement between the government, employers and trade unions helps address labour-market challenges, negotiate working conditions and advocate for workers' interests.

Understanding South Africa's context is crucial to comprehending the specific challenges and opportunities related to decent work in the country. It highlights the need for targeted policies and interventions that address historical inequalities, promote inclusive growth, advance skills development and foster social dialogue to ensure that decent work becomes a reality for all South African workers.

8 CHALLENGES AND OPPORTUNITIES RELATED TO DECENT WORK IN SOUTH AFRICA

8.1 Challenges

South Africa faces deep-rooted inequalities stemming from its history of apartheid, and these continue to impact access to decent work. Income inequality, disparities in education and unequal distribution of resources contribute to limited employment opportunities and wage gaps, particularly for marginalised groups.⁴³ Limited job opportunities and structural factors, such as skills mismatches and insufficient economic growth,⁴⁴ contribute to

⁴⁰ World Economics "South Africa's Informal Economy Size" (2023) <https://www.worldeconomics.com/National-Statistics/Informal-Economy/South%20Africa.aspx> (accessed 2013-07-10).

⁴¹ Fourie "Analysing the Informal Sector in South Africa; Knowledge and Policy Gaps, Conceptual and Data Challenges" in Fourie (ed) *The South African Informal Sector: Creating Jobs, Reducing Poverty* (2018) 3–15.

⁴² Pauw, Oosthuizen and Van der Westhuizen "Graduate Unemployment in the Face of Skills Shortages: A Labour Market Paradox" 2008 76(1) *South African Journal of Economics* 45–57.

⁴³ Makgetla "Inequality in South Africa: An Overview" (undated) https://www.tips.org.za/images/TIPS_Working_Paper_Inequality_in_South_Africa_An_Overview_September_2020.pdf (accessed 2023-07-22).

⁴⁴ Stats SA *The Quarterly Labour Force Survey (QLFS) Q1:2023*.

this challenge, although after contracting by a revised 1,1 per cent in the fourth quarter of 2022, real gross domestic product (GDP) edged higher in the first quarter of 2023 (January–March) by an estimated 0,4 per cent.⁴⁵ The country is still struggling to regain pre-pandemic employment levels with an unemployment rate of 32,9 per cent in the first quarter of 2023⁴⁶ – one of the highest rates globally.⁴⁷ This undermines the ability of individuals to secure decent work and hinders inclusive economic development.

Many workers in South Africa face precarious work conditions, such as temporary employment, informal-sector engagement, and low job security. Informal-sector workers often lack access to social protection, fair wages and adequate working conditions, making it difficult to achieve decent work standards.⁴⁸ In addition, the labour market experiences a significant gap between the skills demanded by employers and the skills on offer by the workforce. This skills mismatch contributes to unemployment and underemployment, limits individuals' ability to secure decent work and hinders productivity and economic growth.⁴⁹ The absence of comprehensive social-protection measures for all workers is a challenge in South Africa. Lack of access to health care for all, social security and unemployment benefits leaves many workers vulnerable to economic shocks, and limits their ability to secure decent work – in particular those who earn a living in the informal economy.⁵⁰

8 2 Opportunities

South Africa has considerable economic potential in a diverse range of sectors such as mining, manufacturing, agriculture and services. Leveraging this potential can create employment opportunities, stimulate economic growth and contribute to decent-work outcomes. Promoting skills-development initiatives and vocational training programmes can bridge the gap between the skills demanded by employers and the skills of the workforce. Improving educational opportunities, aligning training with industry needs, and supporting lifelong learning can equip workers with the skills required for decent work.

South Africa has a strong tradition of social dialogue and collective bargaining, offering opportunities for stakeholders to address labour-market challenges, negotiate fair working conditions, and advocate for workers' rights. Strengthening social-dialogue mechanisms fosters collaboration between government, employers and trade unions in promoting decent work. Implementing targeted policy reforms that address inequality, promote inclusive growth and enhance labour market regulation can create an

⁴⁵ *Ibid.*

⁴⁶ *Ibid.*

⁴⁷ Stoltz "South Africa Remains Most Unequal Country, World Bank Report Finds" (2022) <https://mg.co.za/news/2022-03-10-south-africa-remains-most-unequal-country-world-bank-reportfinds/> (accessed 2023-07-14).

⁴⁸ Fourie in Fourie (ed) *The South African Informal Sector: Creating Jobs, Reducing Poverty*.

⁴⁹ Pauw *et al* 2008 *South African Journal of Economics*.

⁵⁰ Mokofe "The Changing World of Work and Further Marginalisation of Workers in South Africa: An Evaluation of the Relevance of Trade Unions and Collective Bargaining" 2022 54 *CILSA* 1.

enabling environment for decent work. These reforms may include minimum wage legislation,⁵¹ labour-market protection, and measures to address discrimination and unequal access to opportunities.

Embracing technological advances can lead to job creation and improved productivity. Encouraging innovation, supporting entrepreneurship and facilitating the adoption of technology in various sectors can generate new employment opportunities and improve working conditions. Recognising these challenges and opportunities is crucial to designing and implementing strategies that promote decent work in South Africa. It requires collaborative efforts among policy makers, employers, trade unions and civil society to address inequalities, create employment opportunities, enhance skills development and ensure the protection of workers' rights within the evolving labour market.

Global transformation, such as changes to international trade agreements and global economic trends, significantly impact employment patterns in South Africa. Such transformation can lead to shifts in industries, job creation or displacement, and changes in the demand for specific skills. Understanding these shifts is essential to ensuring that employment opportunities align with the principles of decent work. Global transformation, including global trade dynamics and foreign direct investment, can influence wage levels in South Africa. Factors such as competition, outsourcing and technological advances may affect wage growth and contribute to income inequality. Ensuring fair and decent wages for workers is vital to addressing inequality and promoting decent work.

Global transformation can influence working conditions, including factors such as health-and-safety standards, job security and work/life balance. Technological advances, automation and the rise of the gig economy may alter traditional employment arrangements, and results in diverse working conditions.⁵² It is important to ensure that workers have access to safe and healthy working environments, job security and an adequate work/life balance.

Technological advances and evolving global demands shape the skills required in the labour market. South Africa's workforce needs to adapt to the need for emerging skills, and address skills gaps to improve workers' employability and promote decent work.⁵³ Providing access to good-quality education, training and lifelong-learning opportunities is crucial to equipping workers with the necessary skills for the changing labour market.

Global transformation can also contribute to the emergence of precarious work arrangements such as temporary or informal employment.⁵⁴ Factors such as globalisation, technological disruptions and changing employment practices may influence job security.⁵⁵ Ensuring stable and secure

⁵¹ It is noteworthy that South Africa adopted the National Minimum Wage Act 9 of 2018. The minimum wage is set at R25,42 per hour.

⁵² ILO "Digitalization and Employment" (2022) https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_854353.pdf (accessed 2023-07-25).

⁵³ *Ibid.*

⁵⁴ Cappelli *The New Deal at Work* 17.

⁵⁵ *Ibid.*

employment opportunities, social protection and worker rights are essential for promoting decent work.

Global transformation in technology, automation and digitalisation has implications for the nature of work. While technological advances offer potential efficiency gains and improved productivity, they can also lead to job displacement and changes in job roles. Managing the impact of technology on employment, reskilling workers and creating new job opportunities are critical for promoting decent work.

The informal economy plays a significant role in South Africa, particularly for vulnerable and marginalised workers. Global transformation can influence the size and dynamics of the informal sector,⁵⁶ and impact on working conditions, social protection and access to decent work. Developing policies that support the formalisation of informal work, and provide social protection for informal-sector workers is essential.

Understanding and addressing the dimensions of this impact are crucial for promoting decent work in South Africa. This calls for a comprehensive approach that considers the interplay between global transformation and local labour-market dynamics. Policy makers, employers, trade unions and other stakeholders need to collaborate to develop strategies that foster inclusive growth, improve working conditions, address income inequality and promote skills development within the changing global landscape.

9 GOVERNMENT AND STAKEHOLDER EFFORTS

Government and stakeholder efforts play a crucial role in addressing the challenges posed by global transformation and in promoting decent work in South Africa. By developing and implementing inclusive policies, fostering social dialogue, protecting worker rights and investing in skills development, the government, employers, trade unions and civil-society organisations can work together to create an enabling environment that supports decent work for all South African workers. The article elaborates on these efforts to provide a more comprehensive understanding.

9 1 Policy initiatives

The South African government implements various policy initiatives aimed at promoting decent work. These initiatives may include labour-market regulations, minimum-wage legislation, skills-development programmes and social-protection measures. Policies focused on job creation, entrepreneurship and investment promotion are also crucial for expanding employment opportunities and fostering decent work.

9 2 Social-dialogue mechanisms

South Africa has a strong tradition of social dialogue that involves constructive engagement and negotiation between the government,

⁵⁶ *Ibid.*

employers, trade unions and other stakeholders. Social-dialogue mechanisms, such as tripartite structures, provide platforms for discussions on labour-market issues, worker rights and policy formulation. This collaboration ensures that multiple perspectives are considered, and facilitates the development of inclusive labour-market policies.

9 3 Labour-market interventions

The government, in collaboration with stakeholders, implements labour-market interventions to address specific challenges. These interventions may include skills-development programmes, job-placement services, support for entrepreneurship and initiatives targeting vulnerable groups. These interventions aim to improve employability, address unemployment and create conducive environments for decent work.

9 4 Worker protections and rights

The South African government plays a crucial role in enacting legislation and regulations that protect workers' rights and ensure fair treatment in the labour market. These include laws on a minimum wage,⁵⁷ working hours,⁵⁸ occupational health and safety,⁵⁹ and protection against unfair labour practices.⁶⁰ The government also promotes access to justice and mechanisms for resolving labour disputes.

9 5 Social partnerships

Collaboration between government, employers, trade unions and civil-society organisations is vital for promoting decent work. Social partnerships allow for joint efforts to address labour-market challenges, promote inclusive growth and advance workers' rights.⁶¹ These partnerships foster cooperation, shared responsibility and collective action in efforts to achieve decent-work objectives.

9 6 Skills development and education

The government invests in skills-development programmes and education initiatives to improve workforce capabilities. These include vocational training, adult education and initiatives targeting youth unemployment. The Skills Development Act⁶² was adopted to expand the knowledge and competencies of the labour force so as to improve productivity and employment. The main aims of the Act are to improve the quality of workers'

⁵⁷ National Minimum Wage Act 9 of 2018.

⁵⁸ Basic Conditions of Employment Act 75 of 1997.

⁵⁹ Occupational Health and Safety Act 85 of 1993.

⁶⁰ S 23 of the Constitution of the Republic of South Africa, 1996.

⁶¹ See the National Economic Development and Labour Council (NEDLAC), the vehicle by which government, labour, business and community organisations seek to cooperate through problem-solving and negotiation on economic, labour and development issues, and related challenges facing the country.

⁶² 197 of 1998.

lives, their prospects for work and labour mobility. By providing relevant skills and educational opportunities, the government contributes to improving employability and ensuring access to decent work.

9 7 Monitoring and evaluation

The government plays a crucial role in monitoring and evaluating the implementation of labour-market policies and initiatives. This includes assessing the impact of interventions on decent-work outcomes, identifying areas for improvement and making evidence-based adjustments to policies and programmes. Monitoring and evaluation enable the government to ensure that efforts align with the objectives of promoting decent work.

10 ADAPTIVE STRATEGIES

Adaptive strategies are required to meet the dynamic nature of global transformation and its impact on decent work in South Africa.

Global transformation, such as technological advances and shifts in global trade patterns, continually reshape the labour market. These changes lead to evolving employment opportunities, emerging skills requirements and shifts in working conditions. Adaptive strategies are necessary to respond to these changing dynamics and ensure that workers are equipped with the skills and support needed to thrive in the evolving labour market.⁶³ Technological advances, automation and globalisation can disrupt traditional job roles and lead to job displacement in certain sectors.⁶⁴ Adaptive strategies are essential to manage these disruptions effectively. These include providing opportunities to reskill and upskill to enable workers to transition to new employment sectors or acquire skills needed in evolving industries.⁶⁵

Global transformation can contribute to income inequality and exclusion, particularly for marginalised groups.⁶⁶ Adaptive strategies are needed to promote inclusive growth, ensuring that the benefits of economic development and decent work are shared equitably. These strategies may include targeted policies, affirmative-action measures⁶⁷ and social-protection initiatives that address inequalities and promote equal access to employment opportunities.

⁶³ Kirkham “Adaptability in the Workplace: Benefits and Importance” (2023) <https://www.indeed.com/career-advice/career-development/adaptability-in-the-workplace> (accessed 2023-27-25).

⁶⁴ Mokofe and Van Eck “COVID-19 at the Workplace: What Lessons Are to Be Gained From Early Case Law” 2022 55 *De Jure* 155–172.

⁶⁵ Li “Reskilling and Upskilling the Future-Ready Workforce for Industry 4.0 and Beyond” (2022) *Information System Front* <https://link.springer.com/article/10.1007/s10796-022-10308-y> (accessed 2023-07-26).

⁶⁶ Human Rights Council “Inequality, Social Protection and the Right to Development” A/HRC/EMRTD/7/CRP.4 (2023).

⁶⁷ Affirmative action measures are measures designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and on all levels in the workforce of a designated employer.

Rapid technological advances can bring both opportunities and challenges to the labour market. Adaptive strategies are crucial for harnessing the potential of technology while mitigating its negative impacts. This includes promoting digital literacy, supporting digital entrepreneurship and ensuring that workers have the necessary skills to adapt to technological changes and take advantage of emerging job opportunities.

Global transformation can create vulnerabilities and precarious work conditions for some workers. Adaptive strategies are needed to improve worker-protection measures, strengthen labour rights, and ensure fair and decent working conditions. This may involve updating labour laws, strengthening enforcement mechanisms and improving social-protection programmes to address the changing dynamics of work.

Global transformation also necessitates a shift towards lifelong learning to enable workers to adapt continually and acquire new skills throughout their careers. Adaptive strategies should prioritise investment in education and training to provide accessible and affordable opportunities for individuals to upgrade their skills and remain relevant in the evolving labour market.

By working together, these stakeholders can identify emerging challenges, share knowledge and best practices, and develop coordinated responses that address the complex and interconnected issues related to global transformation and decent work.

Adaptive strategies are essential in navigating the challenges and harnessing the opportunities presented by global transformation in South Africa. By embracing flexibility, innovation and collaboration, these strategies can enable the country to respond effectively to the changing dynamics of the labour market, promote inclusive growth, protect workers' rights and ensure that decent work remains a central focus in the face of ongoing transformation.

11 CONCLUSIONS

The impact of global transformation on decent work in South Africa is complex and multifaceted. The country's unique context, including its history of apartheid, political transition, and economic restructuring, shapes the labour-market dynamics and the challenges and opportunities for decent work.

Global transformation, such as globalisation, technological advances and changing trade patterns, significantly influence various dimensions of decent work in South Africa. These dimensions include employment patterns, wages, working conditions, skills requirements, job security and social protection. Understanding the interplay between global factors and local dynamics is crucial to addressing the challenges and leveraging the opportunities presented by this transformation.

Government and stakeholder efforts play a vital role in promoting decent work in the face of global transformation. These efforts encompass policy initiatives, social-dialogue mechanisms, labour-market interventions and investments in skills development and education. Collaboration between the government, employers, trade unions and civil-society organisations is key

to ensuring inclusive growth, protecting worker rights, and fostering an enabling environment for decent work.

Given the dynamic nature of global transformation, adaptive strategies are essential in this context. These strategies involve adapting to changing labour-market dynamics, addressing disruptions and job displacement, promoting inclusive growth, navigating technological advances, ensuring worker protection, fostering lifelong learning and adopting a collaborative and multi-stakeholder approach.

By embracing adaptive strategies and considering the diverse dimensions of decent work, South Africa can strive to realise a more inclusive, equitable and sustainable labour market. This requires ongoing monitoring, evaluation and adjustment of policies and programmes to ensure that the benefits of global transformation are shared equitably, and that decent work becomes a reality for all South African workers. Ultimately, by placing decent work at the centre of discussions and actions, South Africa can promote social justice, reduce inequality, and create a work environment that respects the dignity and rights of all workers and contributes to the overall well-being and prosperity of the nation.